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and Cross-Defendant
CHURCH OF SCIENTOLOGY INTERNATIONAL
10

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 FOR THE COUNTY OF MARIN

13 CHURCH OF SCIENTOLOGY INTERNATIONAL,) Case No. 157 680
a California not-for-profit)
14 religious corporation,) [CONSOLIDATED]
)
15 Plaintiff,) REQUEST FOR JUDICIAL NOTICE
) IN SUPPORT OF PLAINTIFF/
16 v.) CROSS-DEFENDANT'S RENEWAL
) MOTION FOR SUMMARY JUDGMENT
17 GERALD ARMSTRONG, et al.,)
) Date: March 8, 1996
18 Defendants.) Time: 9:30 a.m.
) Dept: 1
19 _____)
) Trial Date: Vacated
20 AND RELATED CROSS-ACTIONS)
_____)
21

22 Plaintiff and Cross-Defendant Church of Scientology
23 International request that this Court take judicial notice of the
24 following records of the Superior Court of the County of Marin of
25 the State of California, the Superior Court of the County of Los
26 Angeles of the State of California, the Court of Appeal of the State
27 of California, Second Appellate District and the United States
28 Bankruptcy Court for the Northern District of California pursuant to

1 Evidence Code §§ 452 and 453.

2 A. Verified Amended Cross-Complaint filed by Defendant/Cross-
3 Complainant Gerald Armstrong ("Armstrong") on October 7, 1992 in the
4 case of Church of Scientology v. Gerald Armstrong, et al., Los
5 Angeles Superior Court, Case No. BC 052395, a true and correct copy
6 of which is attached hereto as Exhibit A.

7 B. Mutual Release of All Claims and Settlement Agreement
8 between Church of Scientology International and Armstrong, executed
9 in December, 1986, a true and correct copy of which is attached
10 hereto as Exhibit B.

11 C. Ruling of January 27, 1995, by the Honorable Gary W.
12 Thomas re Motion for Summary Adjudication of Issues as to the
13 fourth and sixth causes of action in Church of Scientology
14 International v. Armstrong, et al., Marin County Superior Court,
15 Case No. 157680 (consolidated), a true and correct copy of which is
16 attached hereto as Exhibit C.

17 D. Order of Summary Judgment as to the Thirteenth, Sixteenth,
18 Seventeenth, and Nineteenth Causes of Action, filed on October 17,
19 1995 in Church of Scientology International v. Gerald Armstrong, et
20 al. (Marin County Superior Court, Case No. 157680 (consolidated), a
21 true and correct copy of which is attached hereto as Exhibit D.

22 E. Order of Permanent Injunction, filed on October 17, 1995,
23 in Church of Scientology International v. Gerald Armstrong, et al.,
24 Marin County Superior Court, Case No. 157680 (consolidated), a true
25 and correct copy of which is attached hereto as Exhibit E.

26 F. Minute Order, dated December 1, 1995, by the Honorable
27 Gary W. Thomas denying the Church's motion for summary adjudication
28 of the first cause of action of Armstrong's Verified Amended Cross-

1 Complaint but granting the motion for severance, dismissal of
2 unadjudicated claims and entry of final judgment, a true and correct
3 copy of which is attached hereto as Exhibit F.

4 G. Opinion of the Court of Appeal of the State of California,
5 Second Appellate District, Division Four, on May 16, 1994, entered
6 in the case of Church of Scientology of California v. Gerald
7 Armstrong, Case No. B 069450, a true and correct copy of which is
8 attached hereto as Exhibit G.

9 Dated: January __, 1996

Respectfully Submitted,

10

Laurie J. Bartilson
BOWLES & MOXON

11

WILSON, RYAN & CAMPILONGO

12

13

By: 

Andrew H. Wilson
Linda M. Fong

14

15

Attorneys for Plaintiff and Cross-
Defendant CHURCH OF SCIENTOLOGY
INTERNATIONAL

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EXHIBIT A

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GERALD ARMSTRONG
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9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF LOS ANGELES
12

13 CHURCH OF SCIENTOLOGY)
14 INTERNATIONAL, a California)
not-for-profit religious)
15 corporation;)
16 Plaintiffs,)
17 vs.)
18 GERALD ARMSTRONG; DOES 1)
through 25, inclusive,)
19 Defendants.)
20

No. BC 052395

VERIFIED AMENDED
CROSS-COMPLAINT FOR DECLARATORY
RELIEF, ABUSE OF PROCESS, AND
BREACH OF CONTRACT

21 GERALD ARMSTRONG,)
22 Cross-Complainant,)
23 -vs-)
24

25 CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
Corporation, CHURCH OF)
26 SCIENTOLOGY OF CALIFORNIA, a)
California Corporation,)
27 RELIGIOUS TECHNOLOGY CENTER, a)
California Corporation,)
28 CHURCH OF SPIRITUAL)

1 TECHNOLOGY,)
 a California Corporation,)
 2 AUTHOR SERVICES, INCORPORATED,)
 a California Corporation,)
 3 AUTHOR'S FAMILY TRUST, ESTATE)
 OF L. RON HUBBARD, DAVID)
 4 MISCAVIGE, NORMAN STARKEY)
 and DOES 1 through 100,)
 5 inclusive,)
)
 6 Cross-Defendants.)
)
 7 _____)

8 Cross-Complainant GERALD ARMSTRONG alleges as follows:

9 PARTIES

10 1. Cross-Complainant GERALD ARMSTRONG, hereinafter,
 11 "ARMSTRONG," is a resident of Marin County, California.

12 2. Cross-Defendants CHURCH OF SCIENTOLOGY
 13 INTERNATIONAL, hereinafter "CSI," CHURCH OF SCIENTOLOGY OF
 14 CALIFORNIA, hereinafter "CSC," RELIGIOUS TECHNOLOGY CENTER,
 15 hereinafter "RTC," CHURCH OF SPIRITUAL TECHNOLOGY, hereinafter
 16 "COST," and AUTHOR SERVICES, INCORPORATED, hereinafter "ASI," are
 17 corporations organized and existing under the laws of the State of
 18 California, having principal offices and places of business in
 19 California and doing business within the State of California
 20 within the territorial jurisdiction of this Court.

21 3. Cross-Defendants AUTHOR'S FAMILY TRUST, hereinafter
 22 "AFT," and ESTATE OF L. RON HUBBARD, hereinafter "ERH," are
 23 entities that are residents of the State of California.

24 4. Cross-Defendant DAVID MISCAVIGE, hereinafter
 25 "MISCAVIGE," is an individual domiciled in the State of
 26 California.

27 5. Cross-Defendant NORMAN STARKEY, hereinafter
 28 "STARKEY," is an individual domiciled in the State of California.

1 6. At all times herein mentioned, each Cross-Defendant
2 was the agent, employee or coconspirator of each of the remaining
3 Cross-Defendants, and in doing the things herein mentioned, each
4 Cross-Defendant was acting within the course and scope of its
5 employment and authority as such agent and/or representative
6 and/or employee and/or coconspirator, and with the consent of the
7 remaining Cross-Defendants.

8 7. Corporate Cross-Defendants named in paragraph 2,
9 above, are subject to a unity of control, and the separate alleged
10 corporate structures were created as an attempt to avoid payment
11 of taxes and civil judgments and to confuse courts and those
12 seeking redress for these Cross-Defendants' acts. Due to the
13 unity of personnel, commingling of assets, and commonality of
14 business objectives, these Cross-Defendants' attempts at
15 separation of these corporations should be disregarded.

16 8. The designation of Cross-Defendants as "churches"
17 or religious entities is a sham contrived to exploit the
18 protection of the First Amendment of the United States
19 Constitution and to justify their criminal, and tortious acts
20 against ARMSTRONG and their others. Cross-Defendant corporations
21 are an international, money-making, politically motivated
22 enterprise which subjugates and exploits its employees and
23 customers with coercive psychological techniques, threat of
24 violence and blackmail. Cross-Defendant corporations, CSI, CSC,
25 RTC, COST and ASI act as one organization and are termed
26 hereinafter as the "ORG."

27 9. Cross-Defendant MISCAVIGE controls and operates the
28 ORG and uses it to enforce his orders and carry out his attacks on

1 groups, agencies or individuals, including the acts against
2 ARMSTRONG alleged herein to the extent there is no separate
3 identity between MISCAVIGE and the ORG and any claim of such
4 separate identity should be disregarded.

5 10. Cross-Defendant entities AFT and ERH derive
6 financial benefit from the ORG, participate in its acts against
7 groups, agencies or individuals, including ARMSTRONG, and
8 participate in MISCAVIGE's and the ORG's efforts to avoid payment
9 of taxes and civil judgments and to confuse courts and persons
10 seeking redress of grievances against MISCAVIGE and the ORG.

11 11. Cross-Defendant STARKEY controls and operates AFT
12 and ERH and uses them in conspiracy with MISCAVIGE to carry out
13 their attacks on groups, agencies or individuals, including the
14 acts against ARMSTRONG alleged herein.

15 12. Cross-Defendants DOES 1 through 100, inclusive, are
16 sued herein under such fictitious names for the reason that the
17 true names and capacities of said Cross-Defendants are unknown to
18 ARMSTRONG at this time; that when the true names and capacities of
19 said Cross-Defendants are ascertained ARMSTRONG will ask leave of
20 Court to amend this Cross-Complaint to insert the true names and
21 capacities of said fictitiously named Cross-Defendants, together
22 with any additional allegations that may be necessary in regard
23 thereto; that each of said fictitiously named Cross-Defendants
24 claim that ARMSTRONG has a legal obligation to Cross-Defendants by
25 virtue of the facts set forth below; that each of said
26 fictitiously named Cross-Defendants is in some manner legally
27 responsible for the acts and occurrences hereinafter alleged.

28

FACTUAL ALLEGATIONS

13. From 1969 through 1981 ARMSTRONG was a Scientologist who devoted his life to Scientology founder, L. Ron Hubbard, the ideals he proclaimed and the Scientology organization he claimed to have built to promulgate those ideals. After leaving Hubbard's and the organization's employ and control in December 1981, ARMSTRONG was declared by the ORG a "Suppressive Person," or "SP," which designated him an "enemy," and became the target of Hubbard's policy of "Fair Game," which states:

"ENEMY - SP Order. Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

The ORG, using Cross-Defendant herein CSC as Plaintiff, filed a lawsuit, No. C 420153, in the Los Angeles Superior Court against ARMSTRONG on August 2, 1982. ARMSTRONG filed a Cross-Complaint against Cross-Defendants CSC and L. RON HUBBARD September 17, 1982, and a Third Amended Cross-Complaint against Cross-Defendants CSC, CSI, RTC and L. RON HUBBARD July 1, 1983. The Complaint and the Cross-Complaint thereto, hereinafter referred to together as Armstrong I, were bifurcated and the underlying Complaint was tried without a jury in 1984. A Memorandum of Intended Decision was rendered by Judge Paul G. Breckenridge, Jr. June 20, 1984 and entered as a Judgment August 10, 1984. The ORG appealed.

14. During the Armstrong I litigation the ORG carried out a massive and international campaign of Fair Game against ARMSTRONG and his lawyer, Michael J. Flynn of Boston,

1 Massachusetts, hereinafter "Flynn," who had been the prime mover
2 in much of the anti-ORG-related litigation throughout the United
3 States. Acts against ARMSTRONG pursuant to Fair Game included
4 assault, an attempted staged highway accident, attempted
5 entrapment, theft of private papers and original artwork,
6 dissemination of information from his confidential "counseling"
7 records, filing false criminal charges on at least five occasions,
8 global defamation, threat of murder, and illegal electronic
9 surveillance. ARMSTRONG learned during the period he was
10 represented in the litigation by Flynn that Fair Game acts against
11 Flynn included attempted murder, theft of private papers, threats
12 against his family, defamation, thirteen frivolous lawsuits,
13 spurious bar complaints, and framing with the forgery of a
14 \$2,000,000 check on a bank account of L. Ron Hubbard.

15 15. In the fall of 1986, while working as a paralegal
16 in the Flynn firm, ARMSTRONG was aware that settlement talks
17 involving all the ORG-related cases in which Flynn was either
18 counsel or party were occurring in Los Angeles, California between
19 Flynn and the ORG. Such talks had occurred a number of times over
20 the prior four years. On December 5, 1986 ARMSTRONG was flown to
21 Los Angeles, as were several other of Flynn's clients with claims
22 against the organization, to participate in a "global settlement."
23 Prior to flying to Los Angeles, ARMSTRONG had reached an agreement
24 with Flynn on a monetary figure to settle Armstrong I, but did not
25 know any of the other conditions of settlement.

26 16. After ARMSTRONG's arrival in Los Angeles, Flynn
27 showed him a copy of a document entitled "Mutual Release of All
28 Claims and Settlement Agreement," hereinafter "the settlement

1 agreement," and some other documents including affidavits, and was
2 advised by Flynn that he was expected to sign them all. Upon
3 reading the settlement agreement ARMSTRONG was shocked and
4 heartsick. ARMSTRONG told Flynn that the condition of "strict
5 confidentiality and silence with respect to his experiences with
6 the" ORG, since it involved over seventeen years of his life was
7 impossible to perform. ARMSTRONG told Flynn that the liquidated
8 damages clause was outrageous; that pursuant to the agreement
9 ARMSTRONG would have to pay \$50,000.00 if he told a medical doctor
10 or psychologist about his experiences from those years, or if he
11 put on a job resume what positions he had held during his
12 organization years. He told Flynn that the requirements of non-
13 amenability to service of process and non-cooperation with persons
14 or organizations adverse to the ORG were obstructive of justice.
15 He told Flynn that agreeing to leave the ORG's appeal of the
16 Breckenridge decision and not respond to any subsequent appeals
17 was unfair to the courts and all the people who had been helped by
18 the decision. ARMSTRONG told Flynn that an affidavit the ORG was
19 demanding that he sign was false, that there had been no
20 management change, that his private preclear folders were still
21 being culled, and that he had the same disagreements with the
22 ORG's Fair Game policies and actions, which had continued without
23 change up to that date. ARMSTRONG told Flynn that he was being
24 asked to betray everything and everyone he had fought for against
25 organization injustice.

26 17. In answer to ARMSTRONG's objections to the
27 settlement agreement Flynn said that the silence and liquidated
28 damages clauses, and anything which called for obstruction of

1 justice were "not worth the paper they [were] printed on." Flynn
2 stated that representation a number of times and in a number of
3 ways; e.g., that ARMSTRONG could not contract away his
4 Constitutional rights; that the conditions were unenforceable.
5 Flynn stated that he had advised the ORG's lawyers that those
6 conditions in the settlement agreement were not worth the paper
7 they were printed on, but that the ORG, nevertheless, insisted on
8 their inclusion and would not agree to any changes. Flynn pointed
9 out to ARMSTRONG the clauses in the settlement agreement
10 concerning his release of his claims against the ORG and the ORG's
11 release of its claims against ARMSTRONG and stated that they were
12 the essential elements of the settlement and what the organization
13 was paying for.

14 18. Flynn stated to ARMSTRONG at that time that he was
15 sick of the litigation and the threats to him and his family, and
16 that he wanted to get out. Flynn stated that all the people
17 involved in his side of the ORG-related litigation were sick of it
18 and wanted to get on with their lives. He said that as a
19 condition of settlement he and his co-counsels in the ORG-related
20 litigation had agreed to not become involved in that litigation in
21 the future. Flynn conveyed to ARMSTRONG a hopelessness concerning
22 the inability of the courts of this country to deal with the ORG,
23 its lawyers and their contemptuous abuse of the justice system.
24 Flynn told ARMSTRONG that if he didn't sign the documents all he
25 had to look forward to was more years of harassment and misery.
26 When ARMSTRONG expressed his continuing objections to the
27 settlement agreement, Edward Walters, whom Flynn had kept present
28 in the room during this discussion with ARMSTRONG, and who was

1 another of Flynn's clients and a participant in the settling of
2 Flynn's ORG-related litigation, yelled at ARMSTRONG accusing him
3 of killing the settlement for everyone, that everyone else had
4 signed or would sign, and that everyone else wanted the
5 settlement. Flynn told ARMSTRONG that the ORG would only settle
6 with everyone together; otherwise there would be no settlement.
7 Flynn did agree to ask the ORG to include a clause in ARMSTRONG's
8 settlement agreement allowing him to keep his creative works
9 relating to L. Ron Hubbard or the organization.

10 19. Flynn stated to ARMSTRONG that a major reason for
11 the settlement's "global" form was to give the ORG the opportunity
12 to change its combative attitude and behavior by removing the
13 threat he and his clients represented to it. He said that the ORG
14 wanted peace and unless ARMSTRONG signed the ORG's documents there
15 would be no peace. Flynn stated that the ORG's attorneys had
16 promised that the affidavit ARMSTRONG considered false would only
17 be used by the ORG if ARMSTRONG began attacking it after the
18 settlement. Since ARMSTRONG had no intention of attacking the
19 ORG, understood that the offensive affidavit would never see the
20 light of day.

21 20. During ARMSTRONG's meeting with Flynn he found
22 himself facing a dilemma. If he refused to sign the settlement
23 agreement and affidavit all the other settling litigants, many of
24 whom had already been flown to Los Angeles in anticipation of a
25 settlement, would be disappointed and would continue to be
26 subjected to organization harassment for an unknown period of
27 time. ARMSTRONG had been positioned as a deal-breaker and led to
28 believe he would lose the support of some, if not all, of the

1 settling claimants, several of whom were key witnesses in his case
2 against the ORG. ARMSTRONG was led to believe that all the
3 lawyers involved in his case desperately wanted out of the ORG-
4 related litigation, and should he not sign the settlement
5 documents would become unhappy and unwilling in their
6 representation of him. ARMSTRONG reasoned that, on the other
7 hand, if he did sign the settlement documents all his co-
8 litigants, some of whom he knew to be in financial trouble, would
9 be happy, the stress they felt would be reduced and they could get
10 on with their lives. ARMSTRONG believed that Flynn and his other
11 lawyers would be happy and the threat to them and their families
12 removed. ARMSTRONG believed that the ORG would have the
13 opportunity its lawyers said it desired to clean up its act, and
14 start anew. Armed with Flynn's assurance that the conditions he
15 found so offensive in the settlement agreement were not worth the
16 paper they were printed on, and the knowledge that the ORG's
17 attorneys were also aware of that fact, ARMSTRONG put on a happy
18 face and on the following day went through the charade of a
19 videotaped signing. A true and correct copy of the settlement
20 agreement is attached hereto as Exhibit A.

21 21. On December 11, 1986, pursuant to stipulation,
22 Judge Breckenridge issued orders dismissing the Armstrong I Cross-
23 Complaint, directing that the settlement agreement be filed and
24 retained by the clerk under seal, releasing to the ORG all trial
25 exhibits and other documents which had been held by the clerk of
26 the Court, and sealing the entire Court file. Despite the Court's
27 specific order the ORG never filed the Settlement Agreement.

28 22. On December 18, 1986 the California Court of

1 Appeal, Second Appellate District, Division Three, issued an
2 unpublished opinion dismissing the ORG's appeal from the
3 Breckenridge decision on the ground that there would be no
4 appealable final judgment until after trial of the Armstrong I
5 Cross-Complaint.

6 23. The ORG filed a Petition for Rehearing of its
7 appeal in the Court of Appeal, which was denied January 15, 1987;
8 then a Petition for Review by the California Supreme Court which
9 was denied March 11, 1987. On January 30, 1987 the ORG filed in
10 the Los Angeles Superior Court an "Unopposed Motion to Withdraw
11 Memorandum of Intended Decision," which Judge Breckenridge denied
12 February 2, 1987. On February 9, 1987 the ORG filed a Notice of
13 Appeal from the orders issued pursuant to stipulation by Judge
14 Breckenridge on December 11, 1986.

15 24. The ORG, and all Cross-Defendants herein, did not
16 desire peace from the December 1986 settlement with ARMSTRONG but
17 an advantage wherein they could continue to attack him without his
18 being able to respond. They removed his lawyers from defending
19 him, and used his lead lawyer, Flynn, as their agent to relay to
20 ARMSTRONG threats of litigation and to keep him from responding to
21 their attacks. Immediately following the settlement ORG
22 operatives contacted Beverly Rutherford, one of ARMSTRONG's
23 friends from his pre-Scientology past, to try to get information
24 from her concerning ARMSTRONG of a personal and embarrassing
25 nature to be used against him. Also immediately following the
26 settlement the ORG delivered a pack of documents concerning and
27 attacking ARMSTRONG to reporters Robert Welkos and Joel Sappell of
28 the Los Angeles Times. The ORG has continued from the date of the

1 settlement to collect intelligence information on ARMSTRONG, to
2 consider him an enemy and to treat him as Fair Game. The
3 settlement itself in intention, form, and effect was an act of
4 Fair Game.

5 25. Although contacted a number of times by the media
6 for statements concerning the ORG or Hubbard in the three years
7 following the settlement, ARMSTRONG did not make any public
8 statements during that period.

9 26. In the fall of 1987 ARMSTRONG received a document,
10 which had been created and circulated by the ORG to discredit
11 ARMSTRONG and writer Bent Corydon. In this document the ORG
12 accused ARMSTRONG of "numerous false claims and lies," of
13 "incompetence as a researcher," as having "stolen valuable
14 documents from [ORG] archives," and of being part of "a small
15 cabal of thieves, perjurers and disreputable sources." Such
16 statements were themselves lies, known to the ORG to be lies,
17 malicious, and intended to destroy ARMSTRONG's reputation and
18 credibility. In this document as well the ORG describes
19 ARMSTRONG's experiences in the organization as Hubbard's archivist
20 and biographical researcher, and discusses aspects of the
21 Armstrong I litigation, all in violation of the letter and spirit
22 of the settlement.

23 27. In early 1988 ARMSTRONG received a number of
24 affidavits the ORG had filed in Miller, which accuse ARMSTRONG of,
25 inter alia, retaining documents in violation of a Los Angeles
26 Superior Court order, providing documents to Russell Miller in
27 violation of a court order, and violating court sealing orders.
28 The affidavits accuse ARMSTRONG of being "an admitted agent

1 provocateur of the U.S. Federal Government who planned to plant
2 forged documents in [ORG] files which would then be "found" by
3 Federal officials in subsequent investigations as evidence of
4 criminal activity," and of intending to "plant forged documents
5 within the [ORG] and then using the contents to get the [ORG]
6 raided. All of the ORG's accusations regarding ARMSTRONG in the
7 affidavits filed in Miller are false, known by the ORG to be
8 false, malicious and intended to destroy ARMSTRONG's credibility.
9 ARMSTRONG has proven repeatedly to the ORG that its accusations
10 are false, but the ORG has not corrected the falsehoods wherever
11 they have been uttered or written but has continued to spread its
12 lies about ARMSTRONG.

13 28. The ORG's affidavits filed in Miller also contain
14 descriptions of ARMSTRONG's experiences in the organization and
15 conditions of the settlement agreement. At the same time the ORG
16 demanded that ARMSTRONG not discuss his own experiences or
17 conditions of settlement on penalty of \$50,000.00 an utterance.
18 The ORG itself filed documents in the case straight out of the
19 sealed Armstrong I file. Such acts are intended to bring about
20 ARMSTRONG's mental disintegration and total destruction, are
21 conscious and premeditated acts by the ORG of Fair Game, and have
22 caused ARMSTRONG great anguish.

23 29. Also in October 1987 ARMSTRONG was contacted by a
24 reporter from the London Sunday Times who advised him that ORG
25 representatives had given the newspaper a pack of documents
26 concerning him. The reporter said that the ORG representatives
27 were claiming that ARMSTRONG was an agent provocateur who tried to
28 plant forged documents in the organization and wanted to destroy

1 the scientology religion. The reporter also said that the ORG
2 representatives had given the newspaper a videotape of ARMSTRONG
3 they claimed showed him conspiring to overthrow ORG management.
4 ARMSTRONG told the reporter that although he considered the ORG's
5 attacks violated the settlement agreement he would not respond to
6 them.

7 30. On December 21, 1988 ARMSTRONG received a call from
8 Flynn who relayed a message from Michael Lee Hertzberg, one of the
9 organization's leading lawyers stating that he wanted ARMSTRONG to
10 file a pleading to keep the court file sealed in the face of
11 efforts by the plaintiff in Corydon v. CSI, Los Angeles Superior
12 Court case no. C 694401, who had filed a motion to unseal the
13 Armstrong I court file. Flynn stated that Hertzberg had
14 threatened that if ARMSTRONG failed to cooperate Hertzberg would
15 release a private and personal document belonging to ARMSTRONG
16 regarding one of his dreams specifically sealed by Judge
17 Breckenridge in Armstrong I.

18 31. On December 27, 1988 ARMSTRONG spoke again by phone
19 with Flynn, who advised ARMSTRONG that due to a court order
20 unsealing the file in Armstrong I, he was going to file a pleading
21 to say that the settlement documents should remain sealed.
22 ARMSTRONG disagreed and advised Flynn he did not want such a paper
23 filed, but on November 15, 1989 ARMSTRONG received notice that
24 Flynn had filed such a paper against his wishes.

25 32. On October 11, 1989 ARMSTRONG was served with a
26 deposition subpoena duces tecum which had been issued by Toby
27 Plevin, an attorney representing Corydon in his litigation against
28 the ORG.

1 33. On October 23, 1989 ARMSTRONG received a call from
2 Heller who stated that the ORG would seek a protective order to
3 prevent Armstrong's deposition in Corydon from going forward, that
4 Armstrong should be represented by an ORG lawyer, that to maintain
5 the settlement agreement ARMSTRONG could only answer questions by
6 court order, that ARMSTRONG should refuse to answer the deposition
7 questions and force Corydon to get an order from the court
8 compelling ARMSTRONG to answer.

9 34. On October 25, 1989 Heller told ARMSTRONG that he
10 had a problem with ARMSTRONG responding to deposition questions
11 concerning such things as L. Ron Hubbard's misrepresentations or
12 ARMSTRONG's period as Hubbard's archivist in the organization,
13 that he wanted to have an attorney present to instruct ARMSTRONG
14 not to answer such questions so that Corydon would have to move to
15 compel an answer, and that if the court ordered sanctions for
16 ARMSTRONG's refusal to answer, the ORG would indemnify him.
17 Heller further stated that ARMSTRONG had a contractual obligation
18 to the ORG, and that if ARMSTRONG did answer deposition questions
19 he would have breached the settlement agreement and may be sued.

20 35. Based on Heller's threats, the earlier threats and
21 ORG post-settlement attacks described above, ARMSTRONG's
22 understanding of his importance to and involvement with the ORG,
23 and his knowledge of the ORG, its fraud and Fair Game, moved him
24 at that time to protect himself by beginning to assemble
25 documentation and prepare a declaration to oppose these ORG
26 abuses.

27 36. On November 1, 1989 Heller, on behalf of ORG entity
28 ASI, a defendant in Corydon, filed a motion "to Delay or Prevent

1 the Taking of Certain Third Party Depositions," relating to the
2 deposition of ARMSTRONG. Heller stated in the motion:

3 "One of the key ingredients to completing these
4 settlement, insisted upon by all parties involved, was
5 strict confidentiality respecting: (1) the Scientology
6 parishioner or staff member's experiences within the
7 Church of Scientology; (2) any knowledge possessed by
8 the Scientology entities concerning those staff members
9 or parishioners; and (3) the terms and conditions of the
10 settlements themselves."

11 37. On November 18, 1989 ARMSTRONG received a copy of a
12 videotape edited from videotapes of him made in 1984 by ORG
13 intelligence operatives and used thereafter against him. This copy
14 had been given to the London Sunday Times, along with a package of
15 documents concerning ARMSTRONG by ORG operatives. Taped to the
16 video cassette was the business card of Eugene M. Ingram, the
17 ORG's private detective who had set up the videctaping.

18 38. On November 20, 1989 Heller contacted ARMSTRONG and
19 advised him that he wanted ARMSTRONG to execute ORG a declaration
20 that ARMSTRONG had either no or minimal contact with Corydon in
21 the organization, and that subsequent to leaving he had received
22 no information about Corydon. ARMSTRONG told Heller that he knew
23 Corydon quite well and that he saw himself as a relevant witness,
24 and would go forward with the deposition. Heller said to do so
25 would be a mistake because only the ORG would ever help him, that
26 ARMSTRONG should assist the ORG because it had honored its
27 agreement, that the ORG had signed a non-disclosure agreement as
28 well and as far as he knew had lived up to its agreement. When

1 ARMSTRONG disagreed, Heller reiterated at the end of the
2 conversation that if ARMSTRONG started to testify, for example
3 about the Hubbard biography project, or things he and the ORG
4 considered irrelevant, he would be sued for breach of contract.

5 39. On November 30, 1989 ARMSTRONG attended a hearing
6 in Corydon of the ORG's motion to prevent his deposition from
7 going forward where he was served with a subpoena duces tecum
8 ordering him to appear as a witness in the trial of Religious
9 Technology Center v. Joseph A. Yanny, Los Angeles Superior Court
10 Case no. C 690211.

11 40. On February 15, 1990 ARMSTRONG received a call
12 from one of Michael Flynn's partners, attorney Michael A. Tabb, who
13 said he had been called by Heller who told him that the ORG
14 considered ARMSTRONG had violated the settlement agreement by
15 being in the courthouse when he was served in Yanny, that they
16 intended to prove it, and that he would be sued.

17 41. On January 18, 1990 ARMSTRONG received a copy of
18 Appellants' Opening Brief which the ORG had filed December 21,
19 1989 in appeal No. B025920 in Division Three of the Second
20 Appellate District in the California Court of Appeal wherein the
21 ORG sought a reversal of the 1984 Breckenridge decision. On
22 January 30, 1990 ARMSTRONG received the Reply Brief of Appellants
23 and Response to Cross-Appeal filed in Division Four in the Second
24 Appellate District in an appeal entitled Church of Scientology of
25 California and Mary Sue Hubbard, Appellants, against Gerald
26 Armstrong, Defendant; Bent Corydon, Appellee, No. B038975 in which
27 the ORG sought a reversal of Judge Geernaert's ruling unsealing
28 the Armstrong I court file.

1 42. Because the settlement agreement prohibited
2 ARMSTRONG from opposing any of the appeals the ORG might take, he
3 filed a Petition for Permission to Respond in the B025920 Division
4 Three appeal February 28, 1990, and in the B038975 Division Four
5 appeal March 1, 1990. When his petitions were granted, ARMSTRONG
6 filed a Respondent's Briefs opposing the ORG appeals.

7 43. ARMSTRONG's March 15, 1990 declaration that he had
8 filed in the Court of Appeal was used by Corydon as an exhibit
9 supporting a motion for an order directing non-interference with
10 witnesses. In its opposition thereto the ORG Heller contradicted
11 what he earlier had said to ARMSTRONG about the agreement being
12 reciprocal, now stating that the ORG was free to talk about
13 Armstrong, but that Armstrong was not free to talk about it.
14 Heller's lies to ARMSTRONG, his lies in sworn declarations about
15 the reciprocity of the settlement agreement, the trap ARMSTRONG
16 had been placed in by the ORG and his own attorney, who, because
17 of ORG Fair Game tactics, had deserted him, caused ARMSTRONG great
18 distress and grief.

19 44. In his March 27 1990, declaration and in the
20 opposition to plaintiff's motion for non-interference with
21 witnesses in Corydon, Heller denied that the three telephone calls
22 with ARMSTRONG occurred, denied offering to have the ORG pay for
23 an attorney at ARMSTRONG's deposition in Corydon, denied offering
24 to indemnify ARMSTRONG for sanctions which might be imposed by the
25 court, and denied threatening ARMSTRONG with litigation. These
26 denials are lies.

27 45. In his March 26, 1990 declaration, Kenneth Long,
28 the ORG staff member who had executed a number of the affidavits

1 concerning ARMSTRONG which were filed in the Miller case, stated:

2 "In January, 1987, following settlement of Scientology
3 (sic) of California ("CSC"), Armstrong turned over to
4 CSC all [ORG]-related documents in his possession. I
5 personally inspected the documents turned over by
6 Armstrong, and found a number of copies of the documents
7 which Armstrong had previously sworn that he had
8 surrendered to the Clerk of the Court. [] Based on my
9 discovery of these documents, I concluded that Armstrong
10 had intentionally perjured himself on numerous
11 occasions, and had as well knowingly violated orders
12 issued by judges at all levels ranging from the Los
13 Angeles Superior Court to the Supreme Court of the
14 United States."

15 Long's statement is false, reckless and malicious. Long stated as
16 well that his affidavits attacking ARMSTRONG in Miller were
17 necessary "to detail the elements of the breach of confidence
18 against Miller and Penguin, and the claim could not have been
19 brought without explaining the underlying actions taken by
20 Armstrong."

21 46. On March 21, 1990 ARMSTRONG spoke by phone with
22 Michael Flynn, who said that he had been called by Lawrence Heller
23 two or three weeks before. Flynn said that Heller told him that
24 ARMSTRONG was right then sitting in the courtroom at the Yanny
25 trial and he asked Flynn to call ARMSTRONG and tell him that if he
26 testified in Yanny he would be in violation of the settlement
27 agreement and would be sued. ARMSTRONG had been present at the
28 Yanny trial March 5, 1990.

1 47. In early April, 1990 ARMSTRONG received a call from
2 ORG lawyer Eric Lieberman who threatened dire consequences if
3 ARMSTRONG continued to speak out against the ORG in violation of
4 the settlement agreement. ARMSTRONG related to Lieberman a list
5 of the ORG's post-settlement attacks on ARMSTRONG in violation
6 itself of the agreement. Lieberman dismissed ARMSTRONG's
7 grievances as insignificant.

8 48. On July 8, 1988 the Internal Revenue Service issued
9 a document entitled "final adverse ruling" to Cross-Defendant
10 herein COST denying its application for tax exempt status. In that
11 ruling the IRS stated:

12 "In support of the protest (protest conference was held
13 in January 1987) to our initial adverse ruling, we were
14 supplied with copies of affidavits dated December 4,
15 1986, from Gerald Armstrong and Laurel Sullivan. Ms.
16 Sullivan was the person in charge of the MCCS project
17 (the ORG's "Mission Corporate Category Sort-out," the
18 purpose of which was to devise a new organizational
19 structure to conceal L. Ron Hubbard's continued
20 control). The affidavits state that the new church
21 management 'seems to have returned to the basic and
22 lawful policies and procedures as laid out by the
23 founder of the religion, L. Ron Hubbard.' The
24 affidavits conclude as follows: 'Because of the
25 foregoing, I no longer have any conflict with the Church
26 of Scientology or individual members affiliated with the
27 Church. Accordingly I have executed a mutual release
28 agreement with the Church of Scientology and sign this

1 affidavit in order to signify that I have no quarrel
2 with the Church of Scientology or any of its members.'"
3 The ORG filed the ARMSTRONG affidavit in the COST case for the
4 purpose of destroying his credibility and in violation of the
5 representation the ORG had Flynn make to ARMSTRONG during
6 settlement that such affidavit would never be used unless
7 ARMSTRONG attacked the ORG after settlement. The ORG's filing of
8 the affidavit, its use of the courts, and the campaign to destroy
9 ARMSTRONG's reputation have caused ARMSTRONG great emotional
10 distress.

11 49. In August 1991 while in South Africa ARMSTRONG was
12 informed by Stuart Cutler, a lawyer for Malcolm Nothling,
13 litigant against the ORG, that the ORG had provided ARMSTRONG's
14 personal papers regarding the 1985 dream which had been sealed in
15 Armstrong I, to the ORG's South African legal representatives for
16 use against ARMSTRONG in the Nothling litigation in which
17 ARMSTRONG was expected to testify. The dissemination of this
18 document in South Africa caused ARMSTRONG great embarrassment and
19 emotional distress.

20 50. On August 12, 1991 the ORG filed a lawsuit against
21 17 agents of the IRS, case no. 91-4301-SVW in United States
22 District Court, Central District of California for more than
23 \$120,000,000.00. The ORG used therein a false rendition of the
24 1984 illegal videotaping of ARMSTRONG, which videotape had been
25 sealed in the Armstrong I court file. The ORG stated in its
26 complaint:

27 "The infiltration of the [ORG] was planned by the LA CID
28 along with former [ORG] member Gerald Armstrong, who

1 planned to seed [ORG] files with forged documents which
2 the IRS could then seize in a raid. The CID actually
3 planned to assist Armstrong in taking over the [ORG]
4 hierarchy which would then turn over all [ORG] documents
5 to the IRS for their investigation."

6 The ORG knew that these accusations were false, knew that
7 ARMSTRONG knew they were false.

8 51. Upon his return to the United States from South
9 Africa, Armstrong visited the law office of Ford Greene who asked
10 for his help. Armstrong, who is a trained paralegal, and lived in
11 the same Marin County town as Greene, agreed to help him, and has
12 been working with him from that time until the present. The moment
13 he began working in Greene's office the ORG began to terrorize him
14 with constant surveillance by ORG intelligence operatives,
15 videotaped him, embarrassed him, caused disturbances in the
16 neighborhood of Greene's law firm, and caused him great fear. The
17 ORG has a reputation of using its intelligence operatives or
18 private investigators to assault its perceived enemies, frame
19 them, entrap them, terrorize them, lie about them, and steal from
20 them. Judge Breckenridge in Armstrong I, had found that:

21 "Defendant Armstrong was the subject of harassment,
22 including being followed and surveilled by individuals
23 who admitted employment by [the ORG]; being assaulted by
24 one of these individuals; being struck bodily by a car
25 driven by one of these individuals; having two attempts
26 made by said individuals apparently to involve Defendant
27 Armstrong in a freeway automobile accident; having said
28 individuals come onto Defendant Armstrong's property,

1 spy in his windows, create disturbances, and upset his
2 neighbors."

3 The August 1991 surveillance of ARMSTRONG by ORG operatives
4 was intended to and caused ARMSTRONG severe shock and emotional
5 distress.

6 52. ARMSTRONG called and wrote to ORG lawyer Eric
7 Lieberman on August 21 and 22, 1991 protesting the surveillance,
8 videotaping and ORG terror tactics. Lieberman never responded,
9 but the ORG responded with renewed attacks on ARMSTRONG, filing
10 perjurious declarations about him in the Aznaran case accusing him
11 of, inter alia, being in Greene's office (during the period when
12 he had been in South Africa), of being employed by Joseph Yanny
13 while working for Greene, and of being Yanny's extension in the
14 Aznaran case. The ORG used these lies in a series of attempts to
15 have the Aznaran case dismissed, and in further attempts to
16 destroy ARMSTRONG's credibility and his capacity to defend himself
17 from the ORG's attacks. The ORG also filed perjurious
18 declarations in Aznaran concerning the illegal 1984 Armstrong
19 operation, claiming, inter alia, that the operation was a police-
20 sanctioned investigation, that ARMSTRONG was plotting against the
21 ORG and seeking out staff members who would be willing to assist
22 him in overthrowing its leadership, and that ARMSTRONG's theory of
23 litigation against the ORG was to fabricate the facts. These lies
24 were used in a series of attempts to deny the Aznarans justice and
25 to attack ARMSTRONG's credibility and leave him defenseless before
26 the ORG's assault. The ORG moreover used in these attempts
27 transcripts of the illegal 1984 videotaping of ARMSTRONG which had
28 been sealed in the Armstrong I court file. The ORG knew its lies

1 filed in the Aznaran case regarding ARMSTRONG were lies, knew it
2 was using sealed documents to attack ARMSTRONG, knew that such
3 caused ARMSTRONG great emotional distress, and knew that its acts
4 in Armstrong I had caused him emotional distress for which it had
5 paid ARMSTRONG a significant sum of money. The ORG's statements
6 filed in Aznaran regarding ARMSTRONG were malicious and an abuse
7 process. ARMSTRONG filed a declaration in Aznaran dated September
8 3, 1991 detailing the lies the ORG had up to that time filed about
9 him in that case and stating the truth of the matters. On June
10 23, 1992, Judge Ideman, presiding in the Aznaran case denied all
11 the ORG's motions in which it had filed its attacks on ARMSTRONG.

12 53. On October 3, 1991 the ORG, using CSC, CSI and RTC
13 as Plaintiffs, filed a motion in Los Angeles Superior Court in the
14 Armstrong I case to enforce the settlement agreement in which it
15 charged that ARMSTRONG's declaration in Aznaran which rebutted the
16 ORG's lies filed about him in that case was a violation of the
17 settlement agreement. That motion, in which the ORG sought from
18 ARMSTRONG \$100,000.00 in damages for his responses to ORG attacks,
19 was denied on December 23, 1991 by Judge Geernaert, who stated
20 during the hearing of that date:

21 " So my belief is Judge Breckenridge, being a very
22 careful judge, follows about the same practice and if he
23 had been presented that whole agreement and if he had
24 been asked to order its performance, he would have dug
25 his feet in because that is one of the [] most
26 ambiguous, one-sided agreements I have ever read. And I
27 would not have ordered the enforcement of hardly any of
28 the terms had I been asked to, even on the threat that,

1 okay the case is not settled.

2 I know we like to settle cases. But we don't want to
3 settle cases and, in effect, prostrate the court system
4 into making an order which is not fair or in the public
5 interest."

6 54. Heedless of Judge Geernaert's comments the ORG on
7 February 4, 1992 filed the underlying lawsuit, hereinafter
8 Armstrong II, this time seeking \$1,700,000.00 in damages. On
9 March 26, 1992 the ORG sought to have ARMSTRONG held in contempt
10 of court for communicating to the media about the litigation after
11 the ORG had itself given an interview to the media and in response
12 to the ORG's public comments about him. Judge Dufficy of the
13 Marin Superior Court, then presiding over the Armstrong II
14 litigation, refused to hear the ORG's effort to have ARMSTRONG
15 found in contempt. The effort, however, demonstrates the ORG's
16 intention: create a scenario in which ARMSTRONG responds to ORG
17 attacks and then have him jailed for his response. Then, pursuant
18 to ORG policy, neutralize him.

19 55. On February 19, 1992 Ford Greene, ARMSTRONG's
20 attorney in Armstrong II, wrote ORG attorney Laurie Bartilson
21 requesting that ARMSTRONG's former attorneys in Armstrong I,
22 Michael Flynn, Julia Dragojevic and Bruce Bunch, each of whom were
23 specifically prohibited by contract with the ORG from giving
24 ARMSTRONG a declaration to assist him in his defense of the ORG's
25 lawsuit to enforce the settlement agreement, be released from that
26 prohibition so they could provide him with needed declarations.
27 The ORG refused. On February 24, 1992 Greene wrote Bartilson
28 requesting that the other individuals who had entered into

1 settlement agreements with the ORG, negotiated by the ORG with
2 Flynn in 1986, and who were specifically prohibited from providing
3 ARMSTRONG with a declaration to assist him in his defense of the
4 ORG's lawsuit to enforce the settlement agreement, be released
5 from that prohibition so they could provide him with needed
6 declarations. Even though the ORG had used the fact of the other
7 individuals' settlement agreements being substantially similar to
8 the ARMSTRONG agreement, and cited to and relied on cases
9 involving those individuals' settlements in its lawsuit against
10 ARMSTRONG, the ORG refused to release them from their contract not
11 to assist ARMSTRONG.

12 56. On May 27, 1992 at a hearing on a motion the ORG
13 brought to obtain a preliminary injunction in this case, Los
14 Angeles Superior Court Judge Sohigian stated:

15 "The information that's being suppressed in this case,
16 however, is information about extremely blameworthy
17 behavior of the [ORG] which nobody owns; it is
18 information having to do with the behavior of a high
19 degree of offensiveness and behavior which is tortious
20 in the extreme. It involved abusing people who are weak.
21 It involves taking advantage of people who for one
22 reason or another get themselves enmeshed in this
23 extremist view in a way that makes them unable to resist
24 it apparently. There appears to be in the history of
25 [the ORG's] behavior a very, very substantial deviation
26 between [the ORG's] conduct and standards of ordinary,
27 courteous conduct and standards of ordinary honest
28 behavior. They're just way off in a different

1 firmament. [The ORG's] is the kind of behavior which
2 makes you sort of be sure you cut the deck and be sure
3 you've counted all the cards. If you're having a
4 friendly poker game you'd make sure to count all the
5 chips before you dealt any cards."

6 Despite these statements concerning the ORG and its practices, and
7 despite the ORG's knowledge of similar rulings and judgments in
8 Armstrong I, the case of Wollersheim v. Scientology, the case of
9 Allard v. Scientology, the case in England Re B & G Wards, the
10 cases of US v. Hubbard and US v. Kember, and of articles in the
11 Los Angeles Times in 1990 and Time magazine in 1991, the ORG
12 continues to attack ARMSTRONG and its other perceived enemies
13 pursuant to its basic doctrine of Fair Game. The ORG's refusal to
14 change its posture toward ARMSTRONG in the face of evidence of its
15 nature causes ARMSTRONG severe emotional distress. Judge Sohigian
16 denied the ORG's motion to enforce the settlement agreement in
17 every aspect except for his right to provide testimony in anti-ORG
18 litigation without being first subpoenaed to provide such
19 testimony. The Sohigian ruling left ARMSTRONG free to speak and
20 write freely about the ORG, to provide information to government
21 agencies without the need for a subpoena and to continue to work
22 as a paralegal.

23 57. ARMSTRONG has learned that MISCAVIGE possessed
24 ARMSTRONG's original artwork and manuscript after they were stolen
25 from ARMSTRONG's car in 1984. MISCAVIGE told Vicki Aznaran that
26 he had ARMSTRONG's artwork and manuscript, and he described
27 ARMSTRONG's works as weird poetry and letters to Hubbard. ORG
28 lawyer John Peterson in 1984, in response to ARMSTRONG's demand at

1 that time for return of his works denied that the ORG possessed
2 them. Now ARMSTRONG has the proof and he demands these works'
3 return.

4 58. The ORG has, for over a decade, waged a campaign of
5 hatred and psychological violence against ARMSTRONG. This
6 campaign has been observed and condemned by courts and the media.
7 In 1986 as an act of calculating Fair Game it used ARMSTRONG'S
8 lawyer, himself a long time target of Fair Game, to manipulate him
9 into a settlement of his claims against the ORG which was intended
10 to leave him lawyer-less and defenseless so that the ORG's Fair
11 Game efforts against him could continue unopposed. In consummate
12 cynicism the ORG claims its purpose in the settlement was to make
13 peace. The ORG's acts against ARMSTRONG have affected every
14 aspect of his life, taken from him the peace and seclusion he
15 sought and threatened his health, livelihood, friendships and his
16 very existence. These acts must stop.

17 FIRST CAUSE OF ACTION

18 (For Declaratory Relief Against All Defendants)

19 59. Cross-complainant ARMSTRONG realleges paragraphs 1
20 through 58, inclusive, and incorporates them by reference herein
21 as though fully set forth.

22 60. An actual controversy has arisen and now exists between
23 ARMSTRONG and CSI concerning their respective rights and duties in
24 that ARMSTRONG contends that the only provisions of the settlement
25 agreement that have any legal force any effect were those whereby
26 he dismissed his cross-complaint in Armstrong I in consideration
27 for a sum of money, and that paragraphs 4A, 4B, 7D, 7E, 7G, 7H,
28 7I, 10, 18D, 18E of the settlement agreement are void as against

1 public policy and should be severed therefrom, and that CSI and
2 its agents are not entitled to breach the settlement agreement
3 while requiring ARMSTRONG to adhere thereto, whereas CSI disputes
4 this contention and contends that it is entitled to enforce all
5 provisions of the settlement agreement against ARMSTRONG
6 notwithstanding the lack of mutuality thereof.

7 61. ARMSTRONG desires a judicial determination of his rights
8 and duties, and a declaration that the only provisions of the
9 settlement agreement which are valid are those which directly
10 pertain to the dismissal of his cross-complaint in Armstrong I in
11 consideration for the payment of a sum of money, and that
12 paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the
13 settlement agreement should be severed and held not to be legally
14 enforceable because they were designed to suppress evidence and
15 obstruct justice.

16 62. A judicial declaration is necessary and appropriate at
17 this time under the circumstances in order that ARMSTRONG may
18 ascertain his rights and duties under the settlement agreement.

19 63. ARMSTRONG is being harmed by the settlement agreement
20 insofar as his First Amendment Rights are curtailed, his ability
21 to freely pursue gainful employment is restricted, and his
22 reputation is being attacked in judicial proceedings which he is
23 unable to counter without risking violation of the settlement
24 agreement.

25 WHEREFORE, cross-complainant seeks relief as is hereinafter
26 pleaded.

27 SECOND CAUSE OF ACTION

28 (For Abuse Of Process Against All Defendants)

1 64. Cross-complainant ARMSTRONG realleges paragraphs 1
2 through 58, inclusive, and incorporates them by reference herein
3 as though fully set forth.

4 65. Defendants, and each of them, have abused the process of
5 this court in a wrongful manner, not proper in the regular conduct
6 of the proceedings in Armstrong I and in Armstrong II, and in
7 other litigation, to accomplish a purpose for which said
8 proceedings were not designed, specifically, the suppression of
9 evidence, the obstruction of justice, the assassination of cross-
10 complainant's reputation, and retaliation against said cross-
11 complainant for prevailing at trial in Armstrong I, all so as to
12 be able to attack cross-complainant and prevent cross-complainant
13 from being able to take any effective action to protect himself.

14 66. Defendants, and each of them, acted with an ulterior
15 motive to suppress evidence, obstruct justice, assassinate cross-
16 complainant's reputation, and to retaliate against cross-
17 complainant in said litigations.

18 67. That defendants, and each of them, have committed
19 willful acts of intimidation, threats, and submission of false and
20 confidential documents not authorized by the process of
21 litigation, and not proper in the regular conduct of litigation.

22 68. Cross-complainant has suffered damage, loss and harm,
23 including but not limited to his reputation, his emotional
24 tranquillity, and privacy.

25 69. That said damage, loss and harm was the proximate and
26 legal result of the use of such legal process.

27 **WHEREFORE**, cross-complainant seeks relief as is hereinafter
28 pleaded.

1 THIRD CAUSE OF ACTION

2 (Breach of Contract)

3 70. Cross-complainant ARMSTRONG realleges paragraphs 1
4 through 58, inclusive, and incorporates them by reference herein
5 as though fully set forth.

6 71. CSI, and/or its agents, and/or other Scientology-related
7 entities having engaged in on-going breaches of said settlement
8 agreement by making reference to ARMSTRONG (a) in communications
9 to the press, (b) in filing pleadings and declarations in various
10 litigations.

11 72. By reason of said breaches of the settlement agreement,
12 ARMSTRONG has been damaged in an amount not presently known but
13 believed to be in excess of the jurisdiction minimum of this
14 Court.

15 WHEREFORE, plaintiff prays for judgment as follows:

16 ON THE FIRST CAUSE OF ACTION

17 1. For a declaration paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I,
18 10, 18D, 18E of the settlement agreement should be severed from
19 the settlement agreement and found to be of no legal force or
20 effect.

21 2. For damages according to proof.

22 3. For attorney's fees and costs of suit.

23 ON THE SECOND CAUSE OF ACTION

24 1. For general and compensatory damages according to proof.

25 2. For attorney's fees and costs of suit.

26 ON THE THIRD CAUSE OF ACTION

27 1. For compensatory and consequential damages according to
28 proof.

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2. For attorney's fees and costs of suit.

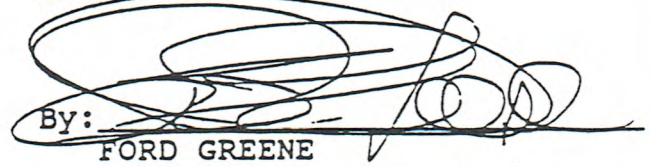
ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: October 7, 1992

Respectfully submitted,

HUB LAW OFFICES

By: 

FORD GREENE
Attorney for Defendant

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: CROSS-COMPLAINT FOR DECLARATORY RELIEF, ABUSE OF PROCESS AND BREACH OF CONTRACT on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

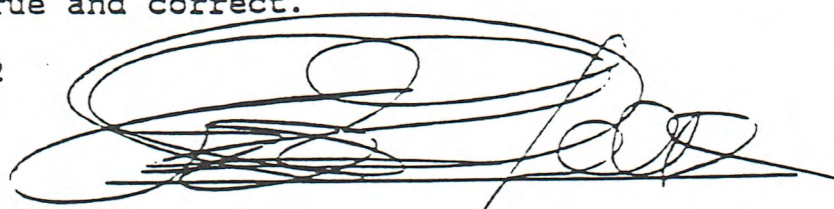
LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

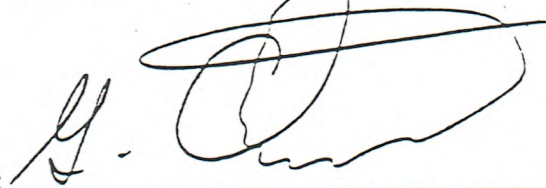
DATED: October 7, 1992



VERIFICATION

I, the undersigned, am an officer of defendant The Gerald Armstrong Corporation in the above entitled action. I know the contents of the foregoing Amended Cross-Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the October 7, 1992 at San Anselmo, California.

By: 
GERALD ARMSTRONG

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Sciantology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Servicas, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.



Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff, that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the

settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intantion of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18. (A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

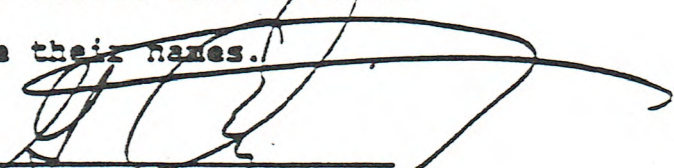
20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

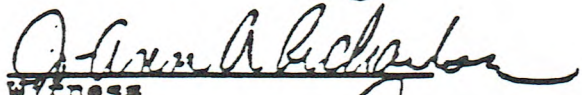
jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

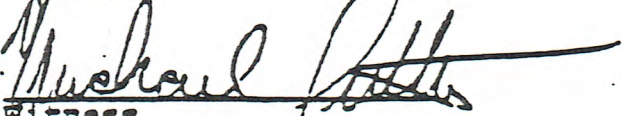
21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1985

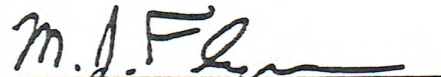

GERALD ARMSTRONG


Witness

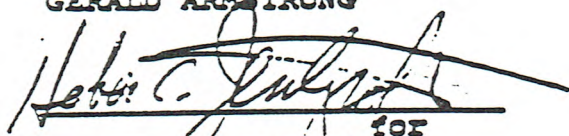

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:


MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986


for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, or all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise; whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

EXHIBIT C

LAW & MOTION, CIVIL CALENDAR

RULINGS

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

DEFENDANT ALSO HAS NOT RAISED A TRIABLE ISSUE REGARDING DURESS. DEFENDANT'S OWN DECLARATION SHOWS HE DID NOT EXECUTE THE AGREEMENT UNDER DURESS IN THAT IT SHOWS THAT HE CAREFULLY WEIGHED HIS OPTIONS. (SEE D'S EX. 1, ¶10.) IT CERTAINLY DOES NOT SHOW THAT HE DID SOMETHING AGAINST HIS WILL OR HAD "NO REASONABLE ALTERNATIVE TO SUCCUMBING." (SEE IN RE MARRIAGE OF BALTIMORE (1989) 212 CAL.APP.3D 66, 84.) IN ADDITION, DEFENDANT IS RELYING ON THE CONDUCT OF A THIRD PARTY (FLYNN) TO ESTABLISH DURESS, YET HE SETS FORTH NO FACT OR EVIDENCE IN HIS SEPARATE STATEMENT SHOWING THAT PLAINTIFF HAD REASON TO KNOW OF THE DURESS. (SEE LEEPER V. BELTRAMI (1959) 53 CAL.2D 195, 206.)

AS TO THE FOURTH CAUSE OF ACTION, CONTRARY TO DEFENDANT'S ARGUMENT, THE SUBJECT DECLARATION DOES MORE THAN MERELY AUTHENTICATE DOCUMENTS. (SEE P'S EX. 1(A)(11), ¶¶1-3.) THE COURT FINDS THAT THE DECLARATION CONSTITUTES A DISCLOSURE OF DEFENDANT'S "EXPERIENCES WITH" PLAINTIFF OR "KNOWLEDGE OR INFORMATION" CONCERNING PLAINTIFF AND HUBBARD. (SEE P'S EX. 1B, ¶7D.) DEFENDANT FAILS TO RAISE A TRIABLE ISSUE REGARDING OBSTRUCTION OF JUSTICE/ SUPPRESSION OF EVIDENCE. THE SETTLEMENT AGREEMENT EXPRESSLY DOES NOT PROHIBIT DEFENDANT FROM DISCLOSING INFORMATION PURSUANT TO SUBPOENA OR OTHER LEGAL PROCESS. (SEE P'S EX. 1B, ¶7H; CONTRAST WITH PEN. CODE, §§ 136.1 AND 138, WILLIAMSON V. SUPERIOR COURT (1978) 21 CAL.3D 829, PEOPLE V. PIC'L (1982) 31 CAL.3D 731.) NOR IS PLAINTIFF IN THIS CAUSE OF ACTION SEEKING TO PROHIBIT DISCLOSURE TO GOVERNMENT AGENCIES CONDUCTING INVESTIGATIONS PURSUANT TO STATUTORY OBLIGATIONS. (CONTRAST WITH MARY R. V. B. & R. CORP. (1983) 149 CAL.APP.3D 308 AND ALLEN V. JORDANOS' INC. (1975) 52 CAL.APP.3D 160.) EVEN IF A PORTION OF THE AGREEMENT COULD BE CONSTRUED TO SO PROHIBIT (SEE, E.G., ¶10), PLAINTIFF IS NOT RELYING ON THAT SECTION. NOR HAS DEFENDANT SHOWN THAT THE PROVISION IS SO SUBSTANTIAL AS TO RENDER THE ENTIRE CONTRACT ILLEGAL. (CONTRAST WITH ALLEN, SUPRA, 52 CAL.APP.3D AT 166.)

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA
LAW & MOTION, CIVIL CALENDAR
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

AS TO THE SIXTH CAUSE OF ACTION, DEFENDANT FAILS TO RAISE A TRIABLE ISSUE REGARDING THE CNN INTERVIEW. DEFENDANT ADMITTED IN HIS DEPOSITION THAT HIS CONVERSATION WITH CNN INVOLVED KNOWLEDGE HE HAD GAINED BECAUSE OF HIS YEARS OF EXPERIENCE WITH THE ORGANIZATION (P'S EX. 1A AT 344:1-4), THUS REFUTING HIS ARGUMENTS THAT HIS STATEMENT WAS BASED ON KNOWLEDGE ACQUIRED AFTER THE SETTLEMENT AGREEMENT AND THAT HIS INTERVIEW WAS DIRECTLY RELATED TO THE INSTANT LITIGATION. IN ADDITION, PLAINTIFF SET FORTH NO FACTS OR EVIDENCE IN HIS SEPARATE STATEMENT SHOWING THAT HE COULD DISCLOSE INFORMATION ACQUIRED AFTER EXECUTION OF THE SETTLEMENT AGREEMENT OR THAT HE COULD MAKE SUCH STATEMENTS IN THE CONTEXT OF FUTURE LITIGATION. FINALLY, THERE IS NOTHING IN THE STATEMENT WHICH TIES IT TO EITHER OF THE ARGUMENTS RAISED BY DEFENDANT. DEFENDANT ALSO FAILS TO RAISE A TRIABLE ISSUE REGARDING THE AMERICAN LAWYER INTERVIEW. DEFENDANT'S CLAIM THAT HE ONLY DISCUSSED THE INSTANT LITIGATION IS REFUTED BY HIS OWN ADMISSION THAT HE DISCUSSED "THE PLIGHT OF THE ORGANIZATION [AND] WHAT IT WOULD TAKE TO END ITS LEGAL TROUBLES." (D'S EX. 1D AT 352:15-19.) DEFENDANT'S CLAIM THAT HIS DISCUSSION INVOLVED "NOTHING MORE THAN WHAT JUDGE BRECKENRIDGE STATED IN HIS DECISION IN ARMSTRONG I" IS REFUTED BY HIS ADMISSION THAT HE DID NOT RECALL DISCUSSING THE BRECKENRIDGE OPINION WITH THE REPORTER. (D'S EX. 1D AT 358:20-23.) FURTHER, DEFENDANT POINTS TO NOTHING IN JUDGE BRECKENRIDGE'S OPINION WHICH COINCIDES TO THOSE MATTERS DISCUSSED BY DEFENDANT.

AS TO THE ELEVENTH CAUSE OF ACTION, PLAINTIFF HAS NOT SHOWN THAT DEFENDANT VIOLATED PARAGRAPH 7D OF THE SETTLEMENT AGREEMENT. THE DECLARATION RELIED ON BY PLAINTIFF (P'S EX. 1(A)(8)) DOES NOT DISCLOSE DEFENDANT'S "EXPERIENCES WITH THE CHURCH OF SCIENTOLOGY [OR] ANY KNOWLEDGE OR INFORMATION HE MAY HAVE CONCERNING THE CHURCH OF SCIENTOLOGY..."

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA
LAW & MOTION, CIVIL CALENDAR
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

DEFENDANT ARMSTRONG FILED A SUPPLEMENTAL DECLARATION AND EVIDENCE SIX DAYS LATE. THE COURT DID NOT PERMIT SAME. THE PLAINTIFF'S MOTION TO STRIKE THE SUPPLEMENTAL PAPERS FROM THE FILE IS GRANTED. PLAINTIFF'S REQUEST FOR SANCTIONS IS GRANTED. DEFENDANTS KNEW THE LATENESS OF THE FILING, SOME SIX DAYS. THERE WAS AMPLE TIME TO SEEK THE COURT'S PERMISSION FOR A LATE FILING. PERMISSION WAS NOT SOUGHT. SANCTIONS REQUESTED BY PLAINTIFF PURSUANT TO SECTION 437C(i) ARE GRANTED IN THE AMOUNT OF \$700, AS THE COURT FINDS THIS SIX-DAYS LATE FILING TO BE IN BAD FAITH.

TOTAL P. 04

JUN 20 1995 14:13

FILED

OCT 17 1995

HOWARD HANSON
MARIN COUNTY CLERK
by J. Steele, Deputy

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7 Telefax: (415) 954-0938

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10 6255 Sunset Boulevard, Suite 2000
11 Hollywood, CA 90028
12 (213) 960-1936
13 Telefax: (213) 953-3351

14 Attorneys for Plaintiff
15 CHURCH OF SCIENTOLOGY
16 INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA

18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY)
20 INTERNATIONAL, a California not-)
21 for-profit religious corporation,)

22 Plaintiff,

23 vs.

24 GERALD ARMSTRONG; DOES 1 through)
25 25, inclusive,)

26 Defendants.)

CASE NO. BC 157680

[PROPOSED]

ORDER OF SUMMARY JUDGMENT
AS TO THE THIRTEENTH,
SIXTEENTH, SEVENTEENTH, AND
NINETEENTH CAUSES OF ACTION

DATE: October 6, 1995

TIME: 9:00 a.m.

DEPT: 1

TRIAL DATE: Vacated

27 This matter came on for hearing on October 6, 1995, on
28 motion of plaintiff Church of Scientology International ("the
Church") for Summary Adjudication of the Thirteenth, Sixteenth,
Seventeenth, and Nineteenth Causes of Action of the Second
Amended Complaint. Plaintiff Church of Scientology International

EXHIBIT D

1 appeared by its attorneys, Andrew H. Wilson of Wilson, Ryan &
2 Campilongo and Laurie J. Bartilson of Bowles & Moxon, defendant
3 Armstrong appeared by his attorney, Ford Greene. Having read and
4 considered the moving and opposing papers, and the evidence and
5 arguments presented therein and at the hearing, and good cause
6 appearing:

7 IT IS ORDERED:

8 1. The Motion of Plaintiff for Summary Adjudication of
9 Issues as to the Thirteenth, Sixteenth, Seventeenth, and
10 Nineteenth Causes of Action of the Second Amended Complaint is
11 GRANTED in favor of Plaintiff, Church of Scientology
12 International, and against Defendant, Gerald Armstrong, in the
13 amount of \$200,000.

14 Plaintiff has met its burden of showing that defendant
15 breached the settlement agreement and that it is entitled to
16 liquidated damages of \$50,000 for each breach. Defendant has
17 failed to raise a triable issue as to any of the causes of
18 action, as follows:

19 INVALIDITY OF LIQUIDATED DAMAGES PROVISION: Defendant's
20 evidence regarding his attorneys' failure to represent his
21 interests (see Facts 43 and 68) is hearsay and/or not based on
22 personal knowledge. The opinion of defendant's attorney as to
23 the validity of the provision (see, e.g., Facts 52-54, 57-60) is
24 irrelevant and hearsay. The fact that two other clients signed a
25 settlement agreement containing the same liquidated damages
26 amount (see Facts 55-56 and 63-64) does not raise an inference
27 that the provision was unreasonable. Defendant's evidence is
28 insufficient to raise a reasonable inference of unequal

1 bargaining power (no personal knowledge shown that plaintiff, as
2 opposed to Flynn, positioned defendant as a "deal breaker";
3 Flynn's statements hearsay; no personal knowledge shown of
4 plaintiff's wealth; wealth alone does not raise inference of
5 unequal bargaining power since no showing defendant desperate for
6 money and had to accept on plaintiff's terms). Defendant's
7 evidence does not raise an inference that plaintiff's calculation
8 is "unfathomable" (Fourteenth Cause of Action seeks \$50,000 for
9 each of 18 letters; Nineteenth Cause of Action is based only on
10 declarations, not on other contacts between defendant and
11 attorney/other clients). Defendant fails to establish how he
12 knows plaintiff had not been injured by his statements at the
13 time of settlement.

14 DURESS: Flynn's statements to defendant are hearsay. (See,
15 e.g., D's Facts 1C and 1D.) Further, defendant has not shown
16 that plaintiff was aware of Flynn's purported duress of
17 defendant. (See *Leeper v. Beltrami* (1959) 53 Cal.2d 195, 206.)
18 Contrary to defendant's statement about duress, "careful weighing
19 of options" is completely inconsistent with an absence "of the
20 free exercise of his will power" or his having "no reasonable
21 alternative to succumbing." (See *Philippine Export & Foreign
22 Loan Guarantee Corp. v. Chuidian* (1990) 218 Cal.App.3D 1058,
23 1078; *In Re Marriage of Baltins* (1989) 212 Cal.App.3D 66, 84.)

24 FRAUD: Flynn's statements to defendant (see Fact 78) are
25 hearsay. The Court finds that the portions of the agreement
26 cited by defendant (see Facts 79 and 80) do not establish a
27 mutual confidentiality requirement. Paragraph 7(I) only
28 prohibits the parties from disclosing information in litigation

1 between the parties; paragraph 18(D) only prohibits disclosure of
2 the terms of the settlement; defendant has not shown that
3 plaintiff did either of those things. Further, "[s]omething more
4 than nonperformance is required to prove the defendant's
5 intention not to perform his promise." (*Tenzer v. Superscope,*
6 *Inc.* (1985) 39 Cal.3d 18, 30-31).

7 NO SPECIFIC PERFORMANCE, BREACH OF EXPRESS AND IMPLIED
8 COVENANT: Defendant relies on the purported mutuality
9 requirement, which he has failed to establish.

10 FIRST AMENDMENT: First Amendment rights may be waived by
11 contract. (See *ITT Telecom Products Corp. v. Dooley* (1989) 214
12 Cal.App.3D 307, 319.)

13 2. The plaintiff has asked that the exhibits which were
14 previously ordered sealed be stricken as they are trade secrets,
15 irrelevant to this motion. This request is GRANTED. They are
16 not relevant. Further, they were filed by Mr. Armstrong in pro
17 per when he is, in fact, represented by counsel.

18 Dated: October __, 1995

19 OCT 17 1995

20 GARY W. THOMAS

21 GARY W. THOMAS
22 Judge of the Superior Court

23 Approved as to form:
24
25

26 Ford Greene
27 Attorney for Defendants Gerald
28 Armstrong and the Gerald Armstrong
Corporation

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA
LAW & MOTION, CIVIL CALENDAR
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

THE MOTION OF PLAINTIFF FOR SUMMARY ADJUDICATION OF ISSUES IS GRANTED AS TO THE FOURTH AND SIXTH CAUSES OF ACTION AND DENIED AS TO THE ELEVENTH CAUSE OF ACTION.

AS TO ALL CAUSES OF ACTION, DEFENDANT FAILS TO RAISE A TRIABLE ISSUE AS TO WHETHER THE LIQUIDATED DAMAGES PROVISION IS INVALID. DEFENDANT RELIES ON THE LAW AS IT EXISTED PRIOR TO JULY 1, 1978. (SEE UNITED SAV. & LOAN ASSN. V. REEDER DEV. CORP. (1976) 57 CAL.APP.3D 282 AND EARLIER VERSIONS OF CIV. CODE, §§ 1670 AND 1671.) THE LAW NOW PRESUMES THAT LIQUIDATED DAMAGES PROVISIONS ARE "VALID UNLESS THE PARTY SEEKING TO INVALIDATE THE PROVISION ESTABLISHES THAT THE PROVISION WAS UNREASONABLE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THE CONTRACT WAS MADE." (CIV. CODE, § 1671, SUBD. (b).) DEFENDANT'S EVIDENCE IS NOT SUFFICIENT TO RAISE A TRIABLE ISSUE IN THAT REGARD. ALTHOUGH DEFENDANT STATES IN HIS DECLARATION THAT HE WAS NOT INVOLVED IN NEGOTIATING THE PROVISION (SEE D'S EX. 1, ¶12), HE GOES ON TO STATE THAT HE DISCUSSED THE PROVISION WITH TWO ATTORNEYS BEFORE SIGNING THE AGREEMENT. (ID., ¶¶12-13.) THUS, HE CLEARLY KNEW OF THE PROVISION YET CHOSE TO SIGN IT. HE HAS NOT SHOWN THAT HE HAD UNEQUAL BARGAINING POWER OR THAT HE MADE ANY EFFORTS TO BARGAIN OR NEGOTIATE WITH RESPECT TO THE PROVISION. (SEE H. S. PERLIN CO. V. MORSE SIGNAL DEVICES (1989) 209 CAL.APP.3D 1289.) DEFENDANT NEXT STATES THAT PLAINTIFF'S ACTUAL DAMAGES ARE ZERO. (D'S EX. 1, ¶12.) HOWEVER, "THE AMOUNT OF DAMAGES ACTUALLY SUFFERED HAS NO BEARING ON THE VALIDITY OF THE LIQUIDATED DAMAGES PROVISION..." (SEE LAW REVISION COMMISSION COMMENT TO § 1671.) FINALLY, DEFENDANT POINTS TO THE FACT THAT OTHER SETTLEMENT AGREEMENTS CONTAIN A \$10,000 LIQUIDATED DAMAGES PROVISION. (SEE D'S EXS. 2C AND 2D.) THIS ALONE IS NOT SUFFICIENT TO RAISE A TRIABLE ISSUE IN THAT DEFENDANT HAS NOT SHOWN THAT CIRCUMSTANCES DID NOT CHANGE BETWEEN 12/86 AND 4/87 AND THAT THOSE SETTLING PARTIES STAND IN THE SAME OR SIMILAR POSITION TO DEFENDANT (I.E., THAT THEY WERE AS HIGH UP IN THE ORGANIZATION AND COULD CAUSE AS MUCH DAMAGE BY SPEAKING OUT AGAINST PLAINTIFF OR THAT THEY HAVE/HAD ACCESS TO AS MUCH INFORMATION AS DEFENDANT).

FILED

OCT 17 1995

HOWARD HANSON
MARIN COUNTY CLERK
by J. Steele, Deputy

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2 WILSON, RYAN & CAMPILONGO
3 115 Sansome Street
4 Fourth Floor
5 San Francisco, California 94104
6 (415) 391-3900
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11 Hollywood, CA 90028
12 (213) 960-1936
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14 Attorneys for Plaintiff
15 CHURCH OF SCIENTOLOGY
16 INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY
20 INTERNATIONAL, a California not-for-profit)
21 religious corporation,)

22 Plaintiff,)

23 vs.)

24 GERALD ARMSTRONG; DOES 1 through)
25 25, inclusive,)

26 Defendants.)

CASE NO. BC 157680

~~PROPOSED~~ GWT. 10/17/95

ORDER OF PERMANENT
INJUNCTION

DATE: October 6, 1995
TIME: 9:00 a.m.
DEPT: 1

TRIAL DATE: Vacated

27 This matter came on for hearing on October 6, 1995, on motion of plaintiff
28 Church of Scientology International ("the Church") for Summary Adjudication of
the Twentieth Cause of Action of the Second Amended Complaint. Plaintiff
Church of Scientology International appeared by its attorneys, Andrew H. Wilson
of Wilson, Ryan & Campilongo and Laurie J. Bartilson of Bowles & Moxon,

1 defendant Armstrong appeared by his attorney, Ford Greene. Having read and
2 considered the moving and opposing papers, and the evidence and arguments
3 presented therein and at the hearing, and good cause appearing:

4 **IT IS ORDERED:**

5 The Church's motion for summary adjudication of the twentieth cause of
6 action of the Second Amended Complaint is GRANTED. The Court finds that there
7 is no triable issue of material fact as to any of the following:

8 1. Plaintiff and defendant freely and voluntarily entered into a Mutual
9 Release of All Claims and Settlement Agreement ("Agreement") in December,
10 1986.

11 2. Plaintiff performed all of its obligations pursuant to the Agreement.

12 3. Defendant Armstrong received substantial consideration for the
13 promises which he made in the Agreement.

14 4. Since 1990, defendant Armstrong has repeatedly breached
15 paragraphs 7(D), 7(E), 7(H), 7(G), 10, 18(D) and 20 of the Agreement.

16 5. Between 1991 and the present, Armstrong breached paragraphs 7(G),
17 7(H) and 10 of the Agreement by providing voluntary assistance, exclusive of
18 testimony made pursuant to a valid subpoena, to the following private individuals,
19 each of whom was pressing a claim or engaged in litigation with plaintiff and/or
20 one or more of the designated beneficiaries of the Agreement:

21 * Vicki and Richard Aznaran, anti-Scientology litigants in the case of
22 Vicki Aznaran, et al. v. Church of Scientology International, United States
23 District Court for the Central District of California, Case No. CV 88-1786
24 (JMI) [Sep.St.Nos. 11-16];

25 * Joseph A. Yanny, anti-Scientology litigant in the case of Religious
26 Technology Center et al. v. Joseph Yanny, et al., Los Angeles Superior
27 Court No. C 690211 and Religious Technology Center et al. v. Joseph
28 Yanny, et al., Los Angeles Superior Court No. BC 033035 [Sep.St.Nos. 17-

1 20);

2 * Malcolm Nothling, anti-Scientology litigant in the matter between
3 Malcolm Nothling and the Church of Scientology in South Africa, Adi Codd,
4 Diane Kemp, Glen Rollins; Supreme Court of South Africa (Witwatzbsrand
5 Local Division) Case No. 19221/88. [Sep.St.Nos. 21-24];

6 * Reader's Digest Corporation, anti-Scientology litigant in the case of
7 Church of Scientology of Lausanne vs. Kiosk AG, Basel, Switzerland
8 [Sep.St.Nos. 25-26];

9 * Richard Behar, anti-Scientology litigant in the case of Church of
10 Scientology International v. Time Warner, Inc.; Time Inc. Magazine Company
11 and Richard Behar, United States District Court, Southern District of New
12 York, Case No. 92 Civ. 3024 PKL [Sep.St.Nos. 27-28];

13 * Steven Hunziker, anti-Scientology litigant in the case of Hunziker v.
14 Applied Materials, Inc., Santa Clara Superior Court Case No. 692629
15 [Sep.St.Nos. 29-33];

16 * David Mayo, anti-Scientology litigant in the case of Religious
17 Technology Center v. Robin Scott, et al., United States District Court for the
18 Central District of California, Case No. 85-711 [Sep.St.Nos. 34-35];

19 * Cult Awareness Network, anti-Scientology litigant in the case of Cult
20 Awareness Network v. Church of Scientology International, et al., Circuit
21 Court of Cook County, Illinois, No. 94L804 [Sep.St.Nos. 38-39];

22 * Lawrence Wollersheim, anti-Scientology litigant in the cases of
23 Lawrence Wollersheim v. Church of Scientology of California, Los Angeles
24 Superior Court Number C332027 and Church of Scientology of California v.
25 Lawrence Wollersheim, Los Angeles Superior Court Number BC074815
26 [Sep.St.Nos. 40-42];

27 * Ronald Lawley, anti-Scientology litigant in the cases of Religious
28 Technology Center, et al. vs. Robin Scott, et al., U.S. District Court, Central

1 District of California, Case No. 85-711 MRP(Bx); Matter Between Church of
2 Scientology Advanced Organization Saint Hill Europe and Africa, and Robin
3 Scott, Ron Lawley, Morag Bellmaine, Stephen Bisbey in the High Court of
4 Justice Queen's Bench Division, Case 1984 S No. 1675; and Matter
5 Between Church of Scientology Religious Education College Inc., and Nancy
6 Carter, Ron Lawley, Steven Bisbey, in the High Court of Justice Queen's
7 Bench Division, Case 1986 C No. 12230 [Sep.St.Nos. 43-44];

8 * Uwe Geertz and Steven Fishman, anti-Scientology litigants in the case
9 of Church of Scientology International v. Steven Fishman, et al., United
10 States District Court for the Central District of California Number 91-6426
11 HLH(Tx) [Sep.St.Nos. 45-46];

12 * Tilly Good, a claimant against the Church of Scientology, Mission of
13 Sacramento Valley [Sep.St.Nos. 36-37];

14 * Denise Cantin, a claimant against the Church of Scientology of Orange
15 County; Church of Scientology of Boston; and Church of Scientology, Flag
16 Service Organization [Sep.St.Nos. 36-37]; and

17 * Ed Roberts, a claimant against the Church of Scientology of
18 Stevens Creek [Sep.St.Nos. 36-37].

19 6. Between 1992 and the present, Armstrong breached paragraph 7(D)
20 of the Agreement by contacting media representatives, granting interviews and
21 attempting to assist media representatives in the preparation for publication or
22 broadcast magazine articles, newspaper articles, books, radio and television
23 programs, about or concerning the Church and/or other persons and entities
24 referred to in paragraph 1 of the Agreement. These media representatives
25 included:

26 * Cable Network News: reporter Don Knapp, in March, 1992
27 [Sep.St.Nos. 47-48];

28 * American Lawyer Magazine: reporter Bill Horne, in March, 1992

- 1 [Sep.St.No. 49];
- 2 * Los Angeles Times: reporter Bob Welkos, in May, 1992; and reporter
- 3 Joel Sappell, in June, 1993 [Sep.St.Nos. 50-51];
- 4 * CAN Video Interview, with anti-Scientologists "Spanky" Taylor and
- 5 Jerry Whitfield, in November, 1992 [Sep.St.No. 52];
- 6 * KFAX Radio: interview planned but prevented in April, 1993
- 7 [Sep.St.No. 53];
- 8 * Newsweek Magazine: reporter Charles Fleming, in June, 1993 and
- 9 August, 1993 [Sep.St.No. 54-56];
- 10 * Daily Journal: reporter Mike Tipping, in June, 1993 [Sep.St.No. 57];
- 11 * Time Magazine: reporter Richard Behar, in March, 1992 and in June,
- 12 1993 [Sep.St.Nos. 58-59];
- 13 * San Francisco Recorder: reporter Jennifer Cohen, in August, 1993
- 14 [Sep.St.No. 60];
- 15 * E! Entertainment Network: reporter Greg Agnew, in August, 1993
- 16 [Sep.St.No. 61];
- 17 * WORD Radio: Pittsburgh, Pennsylvania, interviewed in the fall of 1993
- 18 [Sep.St.No. 62];
- 19 * St. Petersburg Times: St. Petersburg, Florida, reporter Wayne Garcia,
- 20 in the fall of 1993 [Sep.St.No. 63];
- 21 * Premiere Magazine: letter to the editor, in October, 1993 [Sep.St.No.
- 22 64];
- 23 * Mirror-Group Newspapers: United Kingdom, in May, 1994
- 24 [Sep.St.No. 65];
- 25 * Gauntlet Magazine: New York, New York, reporter Rick Cusick in
- 26 June, 1994 [Sep.St.No. 66];
- 27 * Pacific Sun Newspaper: reporter Rick Sine. In June and July, 1994
- 28 [Sep.St.No. 67];

1 * Disney Cable: reporter Marsha Nix, in August, 1994 [Sep.St.No. 68];
2 and
3 * Tom Voltz: Swiss author writing a book about Scientology, in
4 October, 1994 [Sep.St.No. 69].

5 7. Between 1992 and the present, Armstrong breached paragraph 7(D)
6 of the Agreement by preparing and distributing at least three manuscripts
7 concerning his claimed experiences in and with Scientology, including a treatment
8 for a screenplay which he intends to turn into a film [Sep.St.Nos.70-71].

9 8. Between 1991 and the present, Armstrong further breached
10 paragraph 7(D) of the Agreement by disclosing his claimed experiences in or with
11 Scientology to each of the following persons or groups, not previously identified:
12 Robert Lobsinger [Sep.St.No. 72]; the New York Times [Sep.St.No. 73]; Toby
13 Plevin, Stuart Culer, Anthony Laing, Kent Burtner, and Margaret Singer
14 [Sep.St.No. 74]; Priscilla Coates [Sep.St.No. 75]; Omar Garrison [Sep.St.No. 76];
15 Vaughn and Stacy Young [Sep.St.No. 77]; a Stanford University psychology class
16 [Sep.St.No. 78]; attendees at the 1992 Cult Awareness Network Convention
17 [Sep.St.No. 79]; and Hana Whitfield [Sep.St.No. 80].

18 9. Defendant Armstrong has reiterated numerous times that he intends
19 to continuing breaching the Agreement unless he is ordered by the Court to cease
20 and desist [Sep.St.Nos. 87-97].

21 10. Plaintiff's legal remedies are inadequate insofar as the scope of the
22 relief ordered below is concerned. Tamarind Lithography Workshop, Inc. v. Sanders
23 (1983) 143 Cal.App.3d 571, 577-578, 193 Cal.Rptr. 409, 413.

24 Accordingly, the Court finds that entry of a permanent injunction in this
25 action is necessary in this action because pecuniary compensation could not afford
26 the Church adequate relief, and the restraint is necessary in order to prevent a
27 multiplicity of actions for breach of contract. Civil Code § 3422(1),(3). A ORDER
28 of injunction is therefore entered as follows:

1 Defendant Gerald Armstrong, his agents, employees, and persons acting in
2 concert or conspiracy with him are restrained and enjoined from doing directly or
3 indirectly any of the following:

4 1. Voluntarily assisting any person (not a governmental organ or
5 entity) intending to make, intending to press, intending to arbitrate, or
6 intending to litigate a claim, regarding such claim or regarding pressing,
7 arbitrating, or litigating it, against any of the following persons or entities:

- 8 ○ The Church of Scientology International, its officers, directors, agents,
9 representatives, employees, volunteers, successors, assigns and legal
10 counsel;
- 11 ○ The Church of Scientology of California, its officers, directors, agents,
12 representatives, employees, volunteers, successors, assigns and legal
13 counsel;
- 14 ○ Religious Technology Center, its officers, directors, agents,
15 representatives, employees, volunteers, successors, assigns and legal
16 counsel;
- 17 ○ The Church of Spiritual Technology, its officers, directors, agents,
18 representatives, employees, volunteers, successors, assigns and legal
19 counsel;
- 20 ○ All Scientology and Scientology affiliated Churches, organizations and
21 entities, and their officers, directors, agents, representatives,
22 employees, volunteers, successors, assigns and legal counsel;
- 23 ○ Author Services, Inc., its officers, directors, agents, representatives,
24 employees, volunteers, successors, assigns and legal counsel;
- 25 ○ The Estate of L. Ron Hubbard, its executor, beneficiaries, heirs,
26 representatives, and legal counsel; and/or
- 27 ○ Mary Sue Hubbard;

28 (Hereinafter referred to collectively as "the Beneficiaries");

1 2. Voluntarily assisting any person (not a governmental organ or
2 entity) defending a claim, Intending to defend a claim, Intending to defend an
3 arbitration, or intending to defend any claim being pressed, made, arbitrated
4 or litigated by any of the Beneficiaries, regarding such claim or regarding
5 defending, arbitrating, or litigating against it;

6 3. Voluntarily assisting any person (not a governmental organ or
7 entity) arbitrating or litigating adversely to any of the Beneficiaries;

8 4. Facilitating in any manner the creation, publication, broadcast,
9 writing, filming audio recording, video recording, electronic recording or
10 reproduction of any kind of any book, article, film, television program, radio
11 program, treatment, declaration, screenplay or other literary, artistic or
12 documentary work of any kind which discusses, refers to or mentions
13 Scientology, the Church, and/or any of the Beneficiaries;

14 5. Discussing with anyone, not a member of Armstrong's
15 immediate family or his attorney, Scientology, the Church, and/or any of the
16 Beneficiaries;

17 In addition, it is ORDERED that, within 20 days of the issuance of this Order,
18 Armstrong shall:

19 1. Return to the Church any documents which he now has in his
20 possession, custody or control which discuss or concern Scientology, the
21 Church and/or any person or entity referred to in paragraph 1 of the "Mutual
22 Release of All Claims and Settlement Agreement" of December, 1986, other
23 than documents which have been filed in this litigation.

24 It is further ORDERED that during the pendency of this litigation, documents
25 which have been filed in this litigation may be retained by Armstrong's counsel.
26 Those documents are to remain sealed, in the possession of Mr. Greene or any
27 successor counsel, and may not be distributed to third parties. At the conclusion
28 of the instant litigation, it is ORDERED that all documents from this case in

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counsel's possession which do not comprise counsel's work product will be delivered to counsel for plaintiff. Counsel's work product may be retained by Armstrong's counsel.

DATED: _____, 1995

OCT 17 1995

GARY W. THOMAS

THE HONORABLE GARY W. THOMAS
SUPERIOR COURT JUDGE

LAW & MOTION, CIVIL CALENDAR

RULINGS

TIME: 9:00 DATE: DECEMBER 1, 1995 DEPT: 1
 JUDGE: GARY W. THOMAS REPORTER: E. PASSARIS CLERK: C. SOTELO
 CASE NO: 157680 TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. ARMSTRONG

 ARGUMENT 4: "THE SEALING ORDER IS UNINTELLIGIBLE AND UNENFORCEABLE" - AGAIN, THIS IS NOT "NEW OR DIFFERENT" SINCE PLAINTIFF SOUGHT THIS RELIEF WHEN IT SOUGHT THE PERMANENT INJUNCTION.

ARGUMENT 5: "TO THE EXTENT THE AGREEMENT IS IN RESTRAINT OF TRADE, IT IS INVALID" - AGAIN, THIS IS NOT "NEW OR DIFFERENT" SINCE THE SAME HELD TRUE AT THE TIME PLAINTIFF SOUGHT THE PERMANENT INJUNCTION. IN ANY EVENT, THE INJUNCTION DOES NOT PRECLUDE DEFENDANT FROM WORKING FOR HIS ATTORNEY AS A PARALEGAL. DEFENDANT CITES NO AUTHORITY THAT THE INJUNCTION IS INVALID WHERE IS ONLY LIMITS THE CASES UPON WHICH HE CAN WORK.

ARGUMENT 6: "THE HELLER AND LONG DECLARATIONS RAISE TRIABLE ISSUES REGARDING THE DEFENSE OF UNCLEAN HANDS" - DEFENDANT POINTS ONLY TO FACTS AND EVIDENCE SET FORTH IN HIS PREVIOUS SEPARATE STATEMENT, THUS THERE IS NOTHING "NEW OR DIFFERENT" TO SUPPORT THIS ARGUMENT.

PLAINTIFF'S MOTION

PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION IS DENIED; IN ALL OTHER RESPECTS, THE MOTION IS GRANTED. AS TO THE FIRST CAUSE OF ACTION OF DEFENDANT'S CROSS-COMPLAINT, PLAINTIFF HAS FAILED TO MEET ITS BURDEN OF SHOWING THAT THE COURT HAS DETERMINED THE ENFORCEABILITY OF PARAGRAPHS 7I AND 18E OF THE SETTLEMENT AGREEMENT. THE MOTIONS DIRECTED AT THE FOURTH, SIXTH, THIRTEENTH, SIXTEENTH, SEVENTEENTH AND NINETEENTH CAUSES OF ACTION ONLY INVOLVED PARAGRAPH 7D OF THE SETTLEMENT AGREEMENT. (SEE P'S EXS. RJN C AND D.) DEFENDANT DOES NOT DISPUTE THAT "PARAGRAPHS 4A AND 4B CONCERN AN APPEAL WHICH HAS ALREADY BECOME FINAL, AND AS TO WHICH NO RIGHTS, DUTIES OR OBLIGATIONS COULD BE ENFORCED IN THE FUTURE." (SEE P'S FACT 3.) THE ORDER OF PERMANENT INJUNCTION DID NOT FIND VIOLATIONS OF PARAGRAPHS 7I AND 18E. (SEE P'S EX. RJN E, P. 2, ¶4.)

SCJ2-003
p/dg

TOTAL P.02
EXHIBIT F

NOV-30-1995 14:18

L. BARTILSON 213 953-3351

F. GREENE 456-5318

A. WILSON
954-0938

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA

PAGE: 3-A

LAW & MOTION, CIVIL CALENDAR

RULINGS

TIME: 9:00 DATE: DECEMBER 1, 1995 DEPT: 1
JUDGE: GARY W. THOMAS REPORTER: E. PASSARIS CLERK: C. SOTELO
CASE NO: 157680 TITLE OF ACTION: CHURCH OF SCIBNTOLOGY V. ARMSTRONG

DEFENDANT'S MOTION

THE MOTION OF DEFENDANT GERALD ARMSTRONG FOR RECONSIDERATION IS DENIED. AS WILL BE SHOWN, NONE OF DEFENDANT'S ARGUMENTS MEET THE REQUIREMENTS OF CODE OF CIVIL PROCEDURE SECTION 1008, SUBDIVISION (a).

ARGUMENT 1: "THE COURT MUST CONSIDER THE HELLER DECLARATION WHICH RAISES TRIABLE ISSUES AS TO WHETHER THE AGREEMENT WAS INTEGRATED AND AS TO THE PARTIES INTENT THAT THE GAG PROVISIONS WERE RECIPROCAL" - IT IS NOT SUFFICIENT FOR PURPOSES OF A RECONSIDERATION MOTION TO SIMPLY ARGUE THAT THE COURT MISINTERPRETED THE LAW. (GILBERD V. AC TRANSIT (1995) 32 CAL.APP.4TH 1494, 1500.) DEFENDANT'S PURPORTED "NEW OR DIFFERENT" EVIDENCE IS NOT "NEW OR DIFFERENT" IN THAT IT IS MERELY CUMULATIVE OF ALL OF THE OTHER EVIDENCE DEFENDANT HAS SUBMITTED IN THIS CASE TO SHOW THAT THE NATURE OF SCIENTOLOGY CONTINUES TO BE RECOGNIZED AS A LIVE PUBLIC CONTROVERSY AND THAT SCIENTOLOGY INTIMIDATES AND CRITICIZES ITS MEMBERS AND CRITICS.

ARGUMENT 2: "THE INJUNCTION VIOLATES THE FIRST AMENDMENT" - THIS AGAIN IS SIMPLY AN ARGUMENT THAT THE COURT PREVIOUSLY MISINTERPRETED THE LAW. THE PURPORTED "NEW" EVIDENCE IS IRRELEVANT TO WHETHER THE INJUNCTION VIOLATES THE FIRST AMENDMENT.

ARGUMENT 3: "THE INJUNCTION PREVENTS ARMSTRONG FROM DEFENDING HIMSELF IN OTHER LITIGATION WITH CSI" - THIS IS NOT "NEW OR DIFFERENT" SINCE PLAINTIFF SOUGHT THE OBJECTED TO PROHIBITION IN ITS MOTION SEEKING A PERMANENT INJUNCTION. THE BANKRUPTCY ORDER IS NOT "NEW OR DIFFERENT" SINCE, EVEN IF THE BANKRUPTCY COURT HAD NOT DIRECTED THAT TESTIMONY BE VIA DECLARATION, DEFENDANT WOULD HAVE HAD THE SAME PURPORTED PROBLEM IN OBTAINING DIRECT TESTIMONY (I.E., HE WOULD HAVE BEEN UNABLE TO TALK TO PEOPLE ABOUT SCIENTOLOGY IN ORDER TO OBTAIN DIRECT TESTIMONY IN HIS OWN DEFENSE). EVEN IF THE COURT CONSIDERS THIS ARGUMENT, IT HAS NO MERIT IN THAT DEFENDANT CAN ASK PEOPLE TO SUBMIT DECLARATIONS WITHOUT DISCUSSING HIS VIEWS AND BELIEFS ABOUT PLAINTIFF.

(CONTINUED ON PAGE 3-A-1

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL,)
)
Plaintiff and Respondent,)
)
v.)
)
GERALD ARMSTRONG,)
)
Defendant and Appellant.)
_____)

No. B069450
(Super.Ct.No. BC052395)

COURT OF APPEAL - SECOND DIST.

FILED

MAY 16 1994

JOSEPH A. ... Clerk
..... Deputy Clerk

APPEAL from an order of the Superior Court of
Los Angeles County, Ronald M. Sohigian, Judge. Affirmed.

Ford Greene and Paul Morantz for Defendant and
Appellant.

Bowles & Moxon, Karen D. Holly, Wilson, Ryan &
Campilongo, Andrew H. Wilson, Rabinowitz, Boudin, Standard,
Krinsky & Lieberman, Eric M. Lieberman, and Michael Lee
Hertzberg for Plaintiff and Respondent.

Defendant and appellant Gerald Armstrong (Armstrong) appeals from an order granting a preliminary injunction restraining Armstrong from voluntarily giving assistance to other persons litigating or intending to litigate claims against plaintiff and respondent Church of Scientology International (Church).

The injunction was granted to enforce a settlement agreement in prior litigation between Armstrong and Church. In the settlement, Armstrong agreed he would not voluntarily assist other persons in proceedings against Church.

Armstrong does not deny violating his agreement but asserts numerous reasons why his agreement should not be enforceable. We conclude that the narrowly-limited preliminary injunction, which did not finally adjudicate the merits of Armstrong's claims, was not an abuse of the trial court's discretion to make orders maintaining the status quo and preventing irreparable harm pending the ultimate resolution of the merits.

FACTUAL AND PROCEDURAL BACKGROUND

Armstrong was a member of Church between 1969 and 1981. He became an insider of high rank, familiar with Church practices and documents. He became disillusioned and left Church in 1981. When he left, he took many Church documents with him.

The Prior Action and Settlement

Church brought the prior action against Armstrong seeking return of the documents, injunctive relief against further dissemination of information contained in them, and imposition of a constructive trust. Mary Sue Hubbard, wife of Church founder L. Ron Hubbard, intervened asserting various torts against Armstrong. Armstrong filed a cross-complaint seeking damages for fraud, intentional infliction of emotional distress, libel, breach of contract, and tortious interference with contract.

Church's complaint and Hubbard's complaint in intervention were tried in 1984 by Judge Breckenridge. That trial led to a judgment, eventually affirmed on appeal, holding Armstrong's conversion of the documents was justified because he believed the conversion necessary to protect himself from Church's claims that he had lied about Church matters and L. Ron Hubbard. (Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 1063, 1073.)

Armstrong's cross-complaint in that case was settled in December 1986 by the settlement agreement which is the subject of the injunction in the present case.

In the settlement agreement, the parties mutually released each other from all claims, except the then-pending appeal of Judge Breckenridge's decision on Church's complaint, which was expressly excluded. The settlement involved a number

of persons engaged in litigation against Church, all represented by Attorney Michael Flynn. As a result of the settlement, Armstrong was paid \$800,000. Armstrong's cross-complaint was dismissed with prejudice, as agreed, on December 11, 1986.

The portions of the settlement agreement most pertinent to this appeal are paragraphs 7-G, 7-H, and 10, in which Armstrong agreed not to voluntarily assist other persons intending to engage in litigation or other activities adverse to Church.^{1/}

1. "G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology. [¶] H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed. [¶] . . . 10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement."

Paragraph 20 of the agreement authorizes its enforcement by injunction.

The Present Action

In February 1992, Church filed a complaint in the present action alleging Armstrong's violation of the settlement agreement and seeking damages and injunctive relief.

In support of its motion for a preliminary injunction, Church presented evidence that since June 1991 Armstrong had violated the agreement by working as a paralegal for attorneys representing clients engaged in litigation against Church and by voluntarily and gratuitously providing evidence for such litigation. Armstrong worked as a paralegal for Attorney Joseph Yanny, who represented Richard and Vicki Aznaran in a multimillion dollar suit against Church in federal court. Armstrong also voluntarily provided declarations for use in the Aznarans' case. Armstrong thereafter worked for Attorney Ford Greene on the Aznaran and other Church related matters.

Armstrong did not deny the charged conduct but asserted the settlement agreement was not enforceable for various reasons, primarily that it was against public policy and that he signed it under duress.

The Trial Court's Preliminary Injunction

The trial court granted a limited preliminary injunction, with exceptions which addressed Armstrong's

argument that the settlement agreement violated public policy by requiring suppression of evidence in judicial proceedings.

The court found that Armstrong voluntarily entered the settlement agreement for which he received substantial compensation, and that Armstrong was unlikely to prevail on his duress claim. The court found that Armstrong could contract as part of the settlement to refrain from exercising various rights which he would otherwise have. Balancing the interim harms to the parties, the court found that to the extent of the limited acts covered by the preliminary injunction, Church would suffer irreparable harm which could not be compensated by monetary damages, and harm for which monetary damages would be difficult to calculate. (Code Civ. Proc., § 526, subds. (a)(2), (a)(4), (a)(5).)

The court's order provides, in pertinent part:

"Application for preliminary injunction is granted in part, in the following respects only. [¶] Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following: [¶] Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons

referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it. [¶]

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986."

The court provided the following exceptions to address Armstrong's public policy arguments: "The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

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DISCUSSION

The grant of a preliminary injunction does not adjudicate the ultimate rights in controversy between the parties. It merely determines that the court, balancing the relative equities of the parties, concludes that, pending a trial on the merits, the defendant should be restrained from exercising the right claimed. The purpose of the injunction is to preserve the status quo until a final determination of the merits of the action. (Continental Baking Co. v. Katz (1968) 68 Cal.2d 512, 528.)

The court considers two interrelated factors. The first is the likelihood the plaintiff will prevail at trial. The second is the interim harm the plaintiff is likely to sustain if the injunction is denied, as compared to the harm the defendant is likely to suffer if the injunction is granted. (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286.)

The decision to grant or deny a preliminary injunction rests in the discretion of the trial court. Accordingly, an appellate court's review on appeal from the granting of a preliminary injunction is very limited. The burden is on the appellant to make a clear showing that the trial court abused its discretion. (IT Corp. v. County of Imperial (1983) 35 Cal.3d 63, 69; Nutro Products, Inc. v. Cole Grain Co. (1992) 3

Cal.App.4th 860, 865.) Abuse of discretion means the trial court has exceeded the bounds of reason or contravened the uncontradicted evidence. (IT Corp. v. County of Imperial, supra, 35 Cal.3d at p. 69.)

Here, the trial court's memorandum decision reflects very careful consideration of the factors relevant to the granting of a preliminary injunction. The court weighed the relative harms to the parties and balanced the interests asserted by Armstrong. The court granted a limited preliminary injunction with exclusions protecting the countervailing interests asserted by Armstrong. We find no abuse of discretion. We cannot say that the trial court erred as a matter of law in weighing the hardships or in determining there is a reasonable probability Church would ultimately prevail to the limited extent reflected by the terms of the preliminary injunction.

Although Armstrong's "freedom of speech" is affected, it is clear that a party may voluntarily by contract agree to limit his freedom of speech. (See In re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker agreed to prior restraint on distribution of film]; ITT Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d 307, 319 [employee's agreement not to disclose confidential information; "it is possible to waive even First Amendment free speech rights by contract"]; Snapp v. United States (1980) 444 U.S. 507, 509, fn. 3 [book by CIA

employee subject to prepublication clearance by terms of his employment contract].)

The exceptions in the trial court's injunction assured that the injunction would not serve to suppress evidence in legal proceedings. The injunction expressly did not restrain Armstrong from accepting service of subpoenas, testifying fully and fairly in legal proceedings, and reporting criminal conduct to the authorities. (See Philippine Export & Foreign Loan Guarantee Corp. v. Chuidian (1990) 218 Cal.App.3d 1058, 1081-1082.) This contrasts with the stipulation in Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 315-316, cited by Armstrong, which prevented a party from disclosing misconduct to regulatory authorities.

This appeal is only from the granting of a preliminary injunction which expressly did not decide the ultimate merits. As limited by the trial court here, the preliminary injunction merely restrains, for the time being, Armstrong's voluntary intermeddling in other litigation against Church, in violation of his own agreement. We decline any extended discussion of Armstrong's shotgun-style brief, which offers more than a dozen separate contentions against enforcement. It suffices to say that Armstrong has not borne his burden on appeal to demonstrate a clear abuse of discretion.

DISPOSITION

The order granting a preliminary injunction is affirmed.

NOT TO BE PUBLISHED

VOGEL (C.S.), Acting P.J.

We concur:

HASTINGS, J.

KLEIN (Brett), J.*

*Assigned by the Chairperson of the Judicial Council.

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of California, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Hollywood, CA 90028.

On October 26, 1995 I served the foregoing document described as REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF PLAINTIFF'S MOTION FOR (1) SUMMARY ADJUDICATION OF THE FIRST CAUSE OF ACTION OF ARMSTRONG'S FIRST AMENDED CROSS-COMPLAINT; (2) SEVERANCE; (3) DISMISSAL OF UNADJUDICATED CLAIMS; AND (4) ENTRY OF FINAL JUDGMENT on interested parties in this action,

by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

by placing the original true copies thereof in sealed envelopes addressed, certified mail, as follows:

Ford Greene
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

MICHAEL WALTON
700 Larkspur Landing Circle
Suite 120
Larkspur, CA 9493

*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party

served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on October 26, 1995 at Los Angeles, California.

[] **(BY PERSONAL SERVICE) I delivered such -- envelopes by hand to the offices of the addressees.

Executed on October 18, 1995, at San Rafael, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

 Matt Ward
Print or Type Name

 Matt Ward
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)